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Russia, Tajikistan, Uzbekistan Sign CIS Border Accord

LD1607212094 Moscow ITAR-TASS World Service in Russian 1643 GMT 16 Jul 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 16 Jul—A two-day working visit to Tajikistan by Colonel General Andrey Nikolayev, commander in chief of the Russian border troops, ended today with the signing of two major documents—an agreement between the Russian Federation, Tajikistan, and Uzbekistan on joint cooperation in protecting the southern borders of the CIS, and also an agreement between the Governments of Russia and the Republic of Tajikistan on interstate governmental military movements in the interests of protecting the external frontiers of the CIS.

The commander in chief of the Russian border troops said at a news conference that the two documents will serve the interests both of the Russian Federation and the republics of Central Asia, and will undoubtedly help strengthen the southern borders of the CIS. In reply to a question by an ITAR-TASS correspondent on the operational situation on the Tajik-Afghan frontier, Andrey Nikolayev called it very complex and still far from stable. In his opinion, the conflict can only be resolved through political means.

During his visit, Andrey Nikolayev met with the command of the Russian border troops deployed in Tajikistan. Questions discussed during the meeting concerned the material and technical provision of subunits of the Russian border contingent in Tajikistan, and with strengthening the weakest sections of the Tajik-Afghan border. Andrey Nikolayev leaves Dushanbe tomorrow morning.

Ukraine Sees CIS Economic Union as 'Inevitable'

LD1607094194 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 16 Jul 94

[Text] A CIS economic union is probably inevitable. At a regular meeting in Moscow, the CIS Coordinative and Consultative Committee examined documents which, if approved, could play a decisive part in the future of the people in the former USSR republics.

During discussions on the major points of the agenda, the delegations from the 12 countries assembled there, including Ukraine as an associate member of the Commonwealth, called for the institution of an interstate economic committee, instead of the previous suggestion of an economic union commission which would only be able to perform recommendatory functions.

The meeting decided to organize within the framework of the CIS a supervisory and executive body of Commonwealth countries, the results of whose work in the area of implementing economic reforms will become binding for national governments.

Deputy Prime Minister Valeriy Shmarov, head of the Ukrainian delegation, said: We would like the whole world to be our market. That is unrealistic, however, as Ukraine has still to capture it. In order to return to our former market, many legislative, legal, financial, and other norms should be regulated within the framework of the CIS.

Army Chiefs To Discuss Abkhazia Peacekeeping Operation

LD1507122194 Moscow INTERFAX in English 1017 GMT 15 Jul 94

[Text] One of the key issues for discussion at a session of the CIS Defense Ministers Council is the progress of the peace-keeping mission in Abkhazia. As Interfax has learned from the Headquarters on Coordination of Military Cooperation between the Commonwealth States, the session will open in Moscow on July 18.

The CIS military chiefs are to discuss the possibility of sending their national peace-keeping contingents to the region, where so far only Russian peace-keepers have been at work.

General Georgiy Kondratev, a Russian deputy defense minister, told Interfax that Belarussian [Belarusian], Kazakh, and Uzbek leaders have given preliminary consent to their countries' participation in the operation in Abkhazia.

The meeting will also consider personnel and logistic support for CIS-sponsored peace-keeping actions and will exchange views on prospects for military and technical cooperation within the CIS, a collective security concept, and guidelines for boosting the CIS allies' defense potential.

The session is expected to last two days under the chairmanship of Russia's Defense Minister Pavel Grachev.

A joint meeting of CIS defense and foreign ministers is also planned to be held in Moscow on July 20.

ITAR-TASS Carries Press Review for 16 Jul

LD1607064094 Moscow ITAR-TASS in English 0527 GMT 16 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 16 TASS—NEZAVISIMAYA GAZETA (independent newspaper) on violation of human rights in Estonia:

"In Russia's view, the Americans demand that troops be withdrawn from a country in which human rights are being violated, which the United States has never denied.

"Following this logic, human rights violations are not a sufficient reason for military presence. Meanwhile the

U.S. itself declares its intention to be present, arms in hand, too, wherever human rights violations are committed".

NEZAVISIMAYA GAZETA on FBI director's recent visit to Moscow:

"According to data, received from different and unconnected well- informed sources, some aspects of the recent visit to Moscow by Louis Freeh, director of the U.S. Federal Bureau of Investigation (FBI), were thoroughly kept from being widely publicised.

"It is reported in particular that Mr Freeh, during a meeting with a high-ranking member of the presidential staff in the Kremlin, acquainted him with some details of the operation 'Money Connection' which the FBI is launching against the Russian mafia that has entrenched itself in the U.S..

"Mr Freeh showed the presidential staff member a list of Russian citizens, about whom the FBI has serious compromising materials. It is a question of Russian citizens who keep accounts in American banks. The accounts are being replenished resultant of large-scale criminal operations, drug trafficking ones, in particular".

NEZAVISIMAYA GAZETA on Russo-Turkish relations:

"A situation, when the traditional military-political and economic leader in the south disappeared following the break-up of the Soviet Union, is manifest. And although Russia's remaining might, including nuclear one, still enables it to keep the status quo, nevertheless one can state that Russo-Turkish rivalry in the region enters a new phase".

ROSSIYSKAYA GAZETA Carries an interview with Vadim Isachenko, deputy chairman of the Moscow government committee on science and technology, who raises defence-industry conversion issues which concern Moscow-based plants within the framework of a new programme.

"Our defence industry conversion programme is based on two real things—finances and Moscow's requirements for civilian goods produced by defence plants. We must endure all the privations which fall to our lot. There is simply no other way. Moscow's defence industry conversion to civilian production is yet another small step along the common road," Isachenko said.

ROSSIYSKIYE VESTI on Russia's gold reserve:

According to official data, as of July 1, 1994, the country's gold reserve amounted to about 328 tonnes as against not more than 307 tonnes at the beginning of the year.

ROSSIYSKIYE VESTI on space debris:

The newspaper reports that "three-quarters of all space debris of terrestrial origin is of Russian make."

NOVAYA YEZHEDNEVNAYA GAZETA (new daily newspaper) reports, referring to Efir-Digest (radio and tv news digest), that President Leonid Kuchma of Ukraine denied that he had ever suggested that "Ukraine again become part of a Russian empire."

PRAVDA runs an interview with Kiriakis Rodhousakis, the Greek ambassador in Russia, who stated that "the Greeks believe in the future, believe in the inexhaustible nature of the Russian economy, and believe Russian people".

KOMSOMOLSKAYA PRAVDA on sunken nuke submarine Komsomolets:

"Specialists from the Russian Ministry for Emergency Situations go ahead with operations to seal the openings of torpedo tubes in the hull of the nuclear-powered submarine Komsomolets, which sank in the Norwegian Sea on April 7, 1989.

"The operations are being conducted at a depth of 1,700 meters. By means of deepwater submersibles Mir, special titanium lids are brought to the submarine and attached to its forward part. Six openings out of nine have already been plugged, the ministry's press service spokesman told the newspaper".

TORGOVAYA MOSKVA (Trading Moscow) newspaper on efforts to bar low-quality food from sale:

"A system to this effect has been somewhat streamlined and some order has been established in the accounting of food and the prevention of the sale of low-quality foodstuffs with the prescribed storage time-limit exceeded.

"About 40 percent of foodstuffs had to be removed from sale. Out of 1,000 specimens, there were 52 percent of tainted foodstuffs and 70 percent of distillery products were substandard.

"At the same time new customs duties spurred an increase in prices. The introduction of protective tariffs on imported food products ready for consumption enables domestic producers to impose both high prices and their own sale conditions on consumers".

St. Petersburg-based newspaper NEVSKOYE VREMYA writes the discovery of the framework of a Swedish sailship in Dalnyaya Bay in the Gulf of Vyborg by members of the "Baltic Memory" Society has revived memories of Russian naval triumphs in the 18th century.

The Baltic Memory Society now prepares to look for a monument to Aleksandr the Second at Novaya Ladoga. The monument was dumped into the Volkhov River in 1918.

VECHERNIY PETERBURG newspaper reported that two traders of ammunition—an unemployed and a tramp—have been detained at Maltsev market where they were selling a 1.5 kg trotyl pot, electric detonators, and cartridges of various calibres. One of the detainees said the items had been given to him by an acquaintance of his. He then decided to "earn some money" by selling them.

Kozyrev Offers DPRK Help in Converting Nuclear Reactors

LD1507193494 Moscow ITAR-TASS World Service in Russian 1832 GMT 15 Jul 94

[By ITAR-TASS diplomatic correspondent Aleksandr Krylovich]

[Text] Moscow, 15 Jul—Russia is ready to give the DPRK assistance in changing its nuclear industry from heavy water reactors to so-called "light water" ones, provided there is international financing of the project. Russian Foreign Minister Andrey Kozyrev stated this today, when he addressed the State Duma.

According to him this could be a "fundamental solution of the whole DPRK nuclear problem." It would make it possible to rule out any likelihood of nuclear weapons being created in the country and at the same time would give the DPRK the opportunity to intensively develop its nuclear energy industry.

A. Kozyrev noted that Russia's western partners, including the United States, are reacting with considerable interest to this approach. "We shall continue to strive for this contract, which would be of extreme interest for both our own nuclear industry and for our budget," the minister stressed.

As Russia is in favor of the DPRK's remaining within the nuclear nonproliferation system, it welcomes the DPRK's readiness to continue bilateral talks with the United States. At the same time, A. Kozyrev noted, the Russian leadership proceeds from the position that "if the American-North Korean contacts produce no results, as has unfortunately been the case in the past, it is essential to hold an international conference on security and the nonnuclear status of the Korean peninsula, as proposed by Russia."

Cites Conditions for Aid

LD1507200094 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 15 Jul 94

[Text] Russia is preparing a program to help North Korea to transfer the nuclear industry of that country from heavy water to light water. In an interview given to our radio station, Russian Foreign Minister Andrey Kozyrev said that North Korea is itself interested in going over to the new type of reactor.

[Begin Kozyrev recording] We do have such technology. Moveover it's first class and maybe the most advanced in the world. At least that's what specialists think about it. In addition, the DPRK has long-standing ties with us in this field. That is why with our technology and our specialists this would not be a sudden change since we know each other well. In a word, a whole range of beneficial preconditions exists here to make it possible for precisely us to help [North] Korea go over to this new type of reactor. You realize yourself that this is a colossal order and it is linked to a huge amount of finance. It is exactly the financing issue that we are discussing with our foreign partners to get their help in financing this project. [end recording]

DPRK Seen 'Opening Up' Under Kim Chong-il

MM1507111194 Moscow RABOCHAYA TRIBUNA in Russian 15 Jul 94 p 2

[Article by Aleksandr Oskin: "Which Winds Will Start Blowing Now in Pyongyang?"]

[Text] Kim Il-song embodied everything in North Korea: the past, the present, and the future. Now—only the past.... He died unexpectedly for everyone, leaving behind many secrets and enigmas.

The death of Kim Il-song has set the world two fundamental questions: What will happen now in North Korea? Will perestroyka processes begin there? Second question: What will be the foreign policy of the new Pyongyang—isolationist, aggressive, or civilized?

First about the internal political processes.

I worked with Korean colleagues for some 15 years. I visited the DPRK twice. Each time that country struck me with its amazing beauty, the diligence of the people, and their boundless love for their leader. And with the poverty. And with the lack of human rights the way they are understood in Europe. The people lived by different laws and norms. The bulk of them did not know how their life differed from that of others. They were happy.

I will cite a characteristic example. In 1984 I was in Pyongyang as a member of a delegation from the All-Union Lenin Communist Youth League Central Committee. We were received at the capital's university, where the rector and a group of professors spent a long time describing in detail and in good Russian the scientific research conducted by the university thanks to the great leader's guiding instructions. Throughout the talk we were haunted by an incomprehensible smell of fish. We asked our hosts the reason for the strong aroma of the sea's gifts. They joyfully explained to us that in connection with the birthday of Kim Chong-il, the dear leader, he had presented each staffer with several kilograms of fresh fish. Everyone was happy. Including the respectable professors.

For 46 years the North Koreans knew no other life. They did not even properly know the Chinese and Soviet way of life. There was no dissidence in the country. They had not lived through the exposure of the personality cult, the cultural revolution, the flowering of socialist stagnation, or painful socialist reforming.

They knew only two leaders. One great, the other dear. But, as is the wont of humans, they pinned their hopes for a better future on the latter—the junior and, ex officio, dear leader. They did so in different ways. But it is characteristic that party functionaries, for example, were saying in rare confidential conversations already in the early eighties that Kim Chong-il, on acceding to the one-man leadership, would bring more democracy and freedom and some attention to human rights observance in the country.

The transitional period in the DPRK began long ago. Some 10 years ago. It started with Kim Il-song's famous train trip right across the USSR to Europe.

I am sure there will be no cataclysms in the DPRK. Thank God! But reforms will commence. The first period will be characterized by a show of outward adherence to Kim Il-song's entire legacy and to the ideas of chuche (not the ideas of Marxism-Leninism!). This was the case in the USSR after the death of Stalin. This was also the case in China after the death of Mao Zedong.

At the second stage portraits of Kim Chong-il will crowd out the portraits of Kim Il-song, a thaw will begin, all sorts of foreign winds will start blowing, and society will start opening up bit by bit.

At the third stage, it has to be thought, the ambitious Kim Chong-il will endeavor to realize two supertasks—to achieve an economic miracle and unite the North with the South. It is at this stage that surprises are possible.

There will be no cardinal changes in the DPRK's international relations.

The final decision in respect of nuclear ambitions will also, I believe, be civilized. Few people know what Kim Il-song agreed with J. Carter, the former U.S. president. But I believe that the great leader managed to make it clear to the White House's emissary that he was prepared to curtail his nuclear plans in exchange for...a U.S. presence, U.S. guarantees, and U.S. economic assistance.

In my view, therefore, it is wrong to maintain that the DPRK will threaten anyone following the death of Kim Il-song. It is all the more absurd to put the troops on red alert, as South Korea has done.

Under the new conditions the DPRK's young leader should be given sensible moral and other support. It is very important to bear in mind that Kim Chong-il is not a Korean version of Khrushchev, Gorbachev, or, still less, Deng Xiaoping. He is another Kim Il-song. But young. And for a long time to come.

Kozyrev Rejects Senate Linkage of Aid to Baltic Withdrawal

LD1507190994 Moscow ITAR-TASS World Service in Russian 1812 GMT 15 Jul 94

[By ITAR-TASS diplomatic correspondent Aleksandr Krylovich]

[Text] Moscow, 15 Jul—"A decision that causes perplexity" is how Andrey Kozyrev has described the American Senate's decision on linking economic assistance to Russia with the withdrawal of troops from the Baltic republics. Addressing the State Duma today he stated that the decision was wrongly addressed and inappropriate.

In point of fact, he said, it is a matter of a single country—Estonia. As for the timescale for the withdrawal of troops, before 31 August, this "depends on the ability and readiness of the Estonian side to give a positive response to our proposals."

At the same time, the minister noted, the Senate's decision is, as it were, addressed to Russia. "The Russian leadership and the corps of deputies categorically reject any political linkage whatsoever, whether on issues of economic aid or issues of economic cooperation," he said. "This appeal is in practice wrongly addressed and inappropriate."

Andrey Kozyrev considers that Vladimir Shumeyko, chairman of the upper chamber of parliament, who is setting off within a day or two to visit the United States, ought to "have a talk with the American senators before this matter goes too far."

Calls U.S. Decision 'Staggering'

LD1507193794 Moscow NTV in Russian 1800 GMT 15 Jul 94

[Text] Russian parliamentarians today issued a statement describing the U.S. Senate resolution [linking economic aid to withdrawal from Estonia] as provocative. The deputies also thought it was directed toward undermining Russian-Estonian relations. We can find out the position of Russia's premier diplomat from an exclusive interview given by Andrey Kozyrev to our TV channel.

[Begin Kozyrev recording] It is just staggering that American senators who are usually so proud of their interest in defending human rights are in this case paying no attention even to this aspect, because we are talking about the elementary human rights of a significant group of military pensioners who are also people. And, incidentally, elderly people as well. So the resolution is both inappropriate and misdirected.

I want to say, however, that at this point we should not make hysterical waves over this issue. In the end, not all decisions made by, as it were, our senators and congressmen are 100 percent successful. All the more so since Vladimir Filippovich Shumeyko, the speaker of our upper chamber which could to a certain extent be considered an analogue to the American Senate, will be in the United States very soon, and it seems to me that this will give us just that chance for deputies and senators to discuss these issues directly, and I hope come to a more civilized decision. [end recording]

Churkin Calls U.S. Resolution 'Counterproductive'

LD1507142394 Moscow INTERFAX in English 1252 GMT 15 Jul 94

[Text] Russia's Deputy Foreign Minister Vitaliy Churkin views the U.S. Senate's resolution on linking the granting of aid to Russia with the withdrawal of Russian troops from Estonia before August 31 as "counter-productive and wrong."

"The U.S. Senate understands neither the realities of our relations with Estonia, nor the special circumstances of Russia's internal political life," Churkin told a group of Russian journalists in Moscow on Friday.

The diplomat said he fears that "the American Senate's resolution may lead to Estonians being yet more reluctant to take constructive steps." "They will nurture the false hope that they will be able to "squeeze" something from Russia after all," he said.

Under the circumstances, Churkin noted, "Russia will also find it hard to make some constructive shifts." The decisions already taken will be viewed by the Russian public as made under American pressure, while the Russian opposition will qualify them as "concessions and departure from the old stand." "In fact this is not so," Churkin said.

(This material is published in full in today's edition of Diplomatic Panorama.)

Kostikov Cites U.S. 'Pressure' on Troop Withdrawal

LD1507173194 Moscow INTERFAX in English 1611 GMT 15 Jul 94

[Text] Russia was bewildered by the statement of a U.S. official saying that Washington was "working on the final details of the withdrawal of Russian troops from Estonia," said the Russian president's press secretary Vyacheslav Kostikov in an exclusive interview with Interfax. He said that the pressure exercised by the United States could create and had already partially created an unfavorable atmosphere around the issue of troop withdrawal from Estonia both among Russian lawmakers and among public opinion in general.

Kostikov said he believed that this could seriously harm efforts by diplomats and politicians aimed at resolving this complex problem. Kostikov stressed that the troop withdrawal from Estonia was a subject only for bilateral relations. Kostikov added that "the United State's work on plans to carry out operations with its troops in Haiti could be understood given the scale of the violations against human rights on this island. However, in Estonia human rights are also being violated, though at a different level of civilization."

Kostikov repeated that during the Second World War Estonia had been liberated by Russian and not by U.S. soldiers. If the Estonian leaders find it possible to send their greetings to former German SS officers then Russia can have founded fear about whether the violation of human rights in this country can take on other scales and forms, Kostikov said. "Within the context of such a situation Russia has the right to retaining its world-accepted means of exercising pressure," Kostikov stressed.

U.S. Guilty of 'Dual Standards' in Baltics

MK1607084094 Moscow NEZAVISIMAYA GAZETA in Russian 16 Jul 94 p 1

[Report by Dmitriy Gornostayev, Maksim Isayev under the "Collision" rubric: "After President Yeltsin's and President Clinton's Friendly Embrace in Naples, the Americans Have Once Again Applied 'Dual Standards' to Moscow. Under the Pretext of Human Rights Violations in Haiti, Washington Plans To Send U.S. Troops There; But, Despite Human Rights Violations in Estonia, the United States Demands that Russian Troops Be Withdrawn From the Country"]

[Text] President Clinton's words at the G-7 summit in Naples, that he is intent on ensuring an equal economic and trade status for Russia, may well remain just words. The U.S. Senate decision to freeze economic assistance to Moscow because of its refusal fully to withdraw its troops from the Baltic states runs counter to the President's intention. In that regard Yeltsin's "No" in Naples, instead of which Clinton hoped to hear "Yes," appears to have angered the Senate more than it has Clinton. The occupant of the White House clearly meant to exploit his pre-Naples tour of the Baltic states later during a bilateral meeting with Yeltsin, thus assuming the role of a mediator between Russia and the Baltics in solving the problem of troop withdrawal.

Two days later in Germany, Clinton said that U.S. troops would stay in Europe. A dual standard is evident: Quod licet Jovi, non licet bovi.

With regard to the linkage between extending $839 million to Russia and the problem of pulling out troops from Estonia, the U.S. President is not in so decisive a mood as is the U.S. Senate. Soon, however, he will apparently have to choose between good relations with Russia and a personal friendship with Yeltsin, on one hand, and a war with Capitol Hill on the other. A real dilemma will emerge, however, if a similar decision is passed by the House.

Yesterday's State Duma statement, which was adopted by 228 votes to 14, "denounces the aforementioned resolution of the American Senate as an attempt to interfere in the internal affairs of sovereign states that hampers the search for a constructive solution to Russian-Estonian problems and undermines Russian-American relations." It is hard to disagree with that. Indeed, the presidents of Russia and Estonia, Boris Yeltsin and Lennart Meri, agreed as early as this week about the need to hold a meeting on the problem of withdrawing troops from Estonian territory. This is why it is not quite appropriate and, in principle, not even pragmatic to drive Russia into somebody else's timetable by the new economic whips.

Vladimir Shumeyko, who flew to the United States yesterday, will obviously not bypass this subject in his conversations with U.S. partners. That would be necessary.

Russian presidential circles also believe that the result of the U.S. Senate's vote may seriously affect relations between Moscow and Washington. The issue is that whereas the former are trying to make sure that economic restrictions dating back to the Cold War are lifted, the latter issues statements on erecting yet more barriers.

The $839 million is American money, and, of course, it is up to them to decide whether this sum will be released. The problem is elsewhere. The Americans demand that troops be withdrawn from a country where—as Russia thinks—human rights are being violated, something the United States has never denied. Following this logic, human rights violations are not a sufficient reason for military presence, either. The United States itself has declared its intention to be present—including with arms—wherever such violations might occur. Talk about an invasion of Haiti, which is being justified precisely by the fact that human rights and freedoms are being violated there, is but the latest proof of that. Reserving for itself the status of a superpower and a world leader, the Americans are careful not to let others, first of all Russia, achieve it. Those same senators nonetheless took care of Russia yesterday, however, as they earmarked $30 million for the struggle against Russian crime, which, in their view, is lately threatening to undermine "the very foundation of American democracy."

There was another reason why it is interesting to hear in what tone Moscow would react to the U.S. Senate decision. According to reports received by NEZAVISIMAYA GAZETA from very well-informed, independent sources, some aspects of the recent Moscow visit by FBI Director Louis Freeh were carefully screened from publicity. In particular, it has been reported that during his meeting in the Kremlin with a high-ranking official from the presidential administration, Louis Freeh briefed the latter on some details of the "Money Trail" operation, which the FBI is launching against the Russian mafia that has become entrenched in the United States. Mr. Freeh showed his interlocutor a list of Russian citizens on whom the FBI has serious compromising evidence. The issue is Russian citizens who have U.S. bank accounts that are being replenished by large-scale criminal operations, particularly, transportation of drugs. Among others, the list includes fairly high-sounding names. Of course, having such trumps in one's hand, one can dictate one's terms in as firm a manner as possible when discussing one problem or another. According to rumors, the Americans have already set a number of conditions. They have demanded from the Russian side: 1) that Russia's source of intelligence information at the White House (a "mole") be disclosed; and 2) that the United States be consulted without fail on all significant foreign policy actions to be launched by Moscow. It seems that the Kremlin has been forced to accept the conditions. At any rate, the delay in Kremlin reaction to the U.S. Senate decision is indirect proof of the hypothesis.

First Post Opened on Estonian Border

LD1507164894 Moscow ITAR-TASS in English 1542 GMT 15 Jul 94

[Text] Venkul (Leningrad region) July 15 TASS—The first Russian border post was opened today on the Estonian border. The installation and equipment of the post in compliance with normal standards have cost Russian tax-payers 2 billlion roubles (about one million USD [U.S. dollars]).

The same or almost the same frontier posts were abandoned by Russian borderguards when they pulled out from Estonia without a single rouble of compensation.

Lieutenant-General Vladimir Vyunov, commander of the North-West Border District, told TASS that before the end of the current year another seven posts will be launched at Russia's state border with Baltic countries.

According to the general, so far, Russian borderguards have to be stationed in former children's recreation camps in the region.

Russia is setting up her posts on the border with Estonia implementing the recent decree of President Yeltsin ordering the unilateral demarcation of the frontier. Estonia used to claim certain Russian territories along the border.

Kozyrev, Christopher Discuss Mideast, Bosnia

LD1707083394 Moscow ITAR-TASS in English 0721 GMT 17 Jul 94

[By ITAR-TASS]

[Text] Moscow July 17 TASS—A telephone conversation between Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher was held late on Saturday night on the initiative of the U.S. side.

In view of Mr. Christopher's forthcoming trip to the Middle East, the two sides informed each other of the efforts being made by them in the Middle East peace process.

They also exchanged views on further moves to settle the conflict in Bosnia-Herzegovina.

Duma Delegation To Visit Proposed Exercise Site

LD1607164494 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 16 Jul 94

[Text] A State Duma delegation departs for Orenburg Region tomorrow. Its members are planning to examine on site the possibility of holding Russian-American command and control exercises at the Totskiy firing range. Some details from our correspondent.

[Stepanenko] There have recently been reports at the Russian parliament and in the press that public opinion in Orenburg Region is against holding Russian-American maneuvers there. The chairman of the defense committee, Sergey Yushenkov, is convinced that the reverse is true. However, in order to find out the true situation concerning the planned event, the committee decided to send its own representatives to Totskiy. The schedule for the visit includes meetings with the regional administration and the command of the Totskiy range, and also the local public. Speaking about the exercises, Sergey Yushenkov said that they are important for both sides, Russia and America, and, I quote: It's possible that more than once in the future we'll have to jointly defuse trouble spots in the world and take part in peacekeeping operations. Alena Stepanenko, Ekho Moskvy, State Duma.

Yushenkov Backs Joint Peacekeeping Exercises

LD1507122894 Moscow ITAR-TASS in English 1135 GMT 15 Jul 94

[By ITAR-TASS analyst Vladimir Gondusov]

[Text] Moscow July 15 TASS—Sergey Yushenkov, chairman of the Russian lower house committee on defence, voiced support, in an interview with ITAR-TASS on Friday, for holding a Russian-American exercise of peace keepers although at a later date.

A parliamentary delegation he heads will visit the Totskiy testing ground in the Orenburg region on July 17-18 to meet regional authorities, local residents and representatives from political organisations as well as mass movements, including those who are against the exercise.

"We should better inform people," the committee chairman stressed. He expressed puzzlement that there are so many rumours and fabrications connected with the joint exercise, including involvement of "great numbers of tanks, aircraft and artillery pieces."

It is well known, Yushenkov continued, that only 250 U.S. officers and men without tanks or other armour will come to Russia. They will be armed only with automatic rifles. There will be no ammunition, apart from blank cartridges and simulation charges.

According to a plan of exercise organisers, peace keepers are to disengage "conflicting sides," organise a security zone and start joint service in it. The exercise is to be held at the Totskiy testing ground where a Russian nuclear weapon was tested in August 1954. The territory of the testing ground was completely decontaminated over the past 40 years.

It was reported earlier that the joint exercise was to be held between July 6 and 14. However, as a result of an address by the lower house to the Russian president on inexpediency of holding the exercise, the chief executive recommended that the Defence Ministry should hold additional consultations with the American side and return to the consideration of this issue, "taking into account the position of Russian lawmakers and remarks expressed by the public in this connection."

Yushenkov said that the lower house speaker received letters from Foreign Minister Andrey Kozyrev and Defence Minister Pavel Grachev, substantiating the need for the exercise and pointing to reasons, including financial, which prevent Russian troops from going to the United States for such an exercise, as Americans suggested. The defence committee attentively examined the letters.

Yushenkov hopes that, following the trip by the lower house delegation and preparation of documents by it, "a decision on holding the joint peace-keeping exercise will be positive."

U.S.-Russian Exercises To Help Avoid Losses

LD1707163394 Moscow ITAR-TASS in English 1550 GMT 17 Jul 94

[By ITAR-TASS special correspondent Anatoliy Yurkin]

[Text] Totskoye, Orenburg region July 17 TASS—Military exercises on the Totsk proving ground will help avoid losses in future peace-keeping operations, First Deputy Commander of the Russian Land Troops Colonel-General Eduard Vorobyov said.

Vorobyov heads a team of top Army officers who, together with a group of State Duma deputies, are visiting the 27th Guard Motorised Infantry Division as it prepares for the joint Russian-American military exercises.

In an interview with ITAR-TASS on Sunday, Vorobyov said that the deputies' visit to the range and the division will help them understand the advantages of holding such exercises on the Russian territory. The division has already been involved in peace-keeping operations in the Caucasus and Moldavia [Moldova]. One of its battalions will soon be deployed in Abkhazia.

The general said that the deputies could also study the ecological situation at the range, which, in his words, is normal. He complained that the preparations are being hindered by a one- sided media reaction and political manipulations of some parties which are not interested in preparing Russian troops for peace- keeping operations.

The group of deputies is led by Duma Defence Committee Chairman Sergey Yushenkov. In an interview with ITAR-TASS, Yushenkov said he was perplexed by the amount of rumours about the plan of exercises. Some of them alleged in particular that a lot of tanks, aircraft and artillery pieces will be involved. However, under the plan no more than 250 American officers—without tanks or other armoured vehicles and armed only with automatic guns—will arrive in Russia.

Originally, the exercises were planned for July 6-14, but the resentful State Duma moved to persuade President Boris Yeltsin of their inexpediency. Yeltsin suggested then that the Defence Ministry hold additional consultations with the American side to examine the issue again, "taking into account the stand assumed by the Russian lawmakers."

Yushenkov said that the deputies intend to meet heads of local government bodies, local residents, representatives of political organisations and public movements. He expressed the hope that "the issue of the joint peace-keeping exercises will be settled in a positive way."

Kozyrev Previews CIS Ministerial Meeting

LD1507225794 Moscow ITAR-TASS World Service in Russian 1937 GMT 15 Jul 94

[By ITAR-TASS diplomatic correspondent Aleksandr Krylovich]

[Text] Moscow, 15 Jul—A gathering of the CIS countries' foreign and defense ministers opening in Moscow on 19 July will focus on the long-term development of integration in the Commonwealth, Russian Foreign Affairs Minister Andrey Kozyrev told the State Duma today.

The meeting will also examine a draft convention on national minorities' rights, Kozyrev said. There are further plans to debate a concept of collective security, and principal trends in military cooperation by the signatories to the Collective Security Treaty. These issues will subsequently be forwarded for discussion by the CIS heads of state in the fall.

Andrey Kozyrev spoke in detail about the situation in Tajikistan, saying that "an intensive political dialogue" is being conducted with that country's leadership and main political forces. According to the minister, the presence of peacekeeping troops, primarily Russian, has become "the principal factor upholding stability" in the republic. "We cannot pull out of Tajikistan, but neither will we let ourselves be dragged into a repeat Afghanistan scenario," Andrey Kozyrev stressed, adding that Russia encourages "dialogue between the central government and the opposition, in the interests of stability."

The peacekeeping operation in Abkhazia is proceeding "on the whole entirely satisfactorily," the head of the Russian foreign policy establishment believes. It is, at the same time, encountering "certain difficulties, mainly from the Abkhazian side." The Russian leadership considers inadmissible in both tone and content the attacks made by the Abkhazia Supreme Soviet on the Russian peacekeepers from their arrival in the conflict zone. I hope that a more moderate approach will prevail, especially toward those who are risking their lives to give the entire region stability.

Kozyrev said that the presidential elections in Ukraine and Belarus showed that most electors in both republics hope for convergence with Russia and for greater realism in the estimation of opportunities. I do not intend to oversimplify the situation and succumb to euphoria. There is a trend toward reintegration, but this process, he pointed out, will not proceed without difficulty and talks on the main political and economic issues are unlikely to be much easier.

Kozyrev on Duma Ratification of NATO Documents

LD1507201494 Moscow INTERFAX in English 1809 GMT 15 Jul 94

[Text] Addressing the Friday sitting of parliament's lower chamber, State Duma deputy Andrey Kozyrev, Russia's Foreign Minister (Russia's Choice faction) explained that there is no need for the State Duma to ratify the documents related to Russia's participation in NATO's Partnership for Peace program.

He reminded that the address by 16 heads of NATO states with a proposal on cooperation and Andrey Kozyrev's reply in accordance with instructions of the Russian president, stating that Russia "has met this proposal with interest and is ready to discuss forms of cooperation" are among three documents connected with Russia's participation in this program. The protocol on the results of Andrey Kozyrev's visit to NATO which stipulates that "Russia is a great European and world power, a nuclear power, and relations with Russia will have a special character and will be developed along a program proposed by us," is the third document, Kozyrev said.

The major provisions of the program, Kozyrev reminded, were cited by Russian Defense Minister Pavel Grachev during his visit to NATO headquarters.

"There is nothing to ratify here and nervousness around this issue is humiliating both for our Duma and for our country," Kozyrev emphasized.

Speaking about the situation in North Korea, Kozyrev noted that there is information in the Russian Foreign Ministry stating that North Korea is ready to continue contacts with the United States on nuclear problems and is preparing for a summit between North Korean and South Korean leaders. At the same time Kozyrev believes that if the negotiations with the United States on nuclear problems are fruitless Russia will insist on holding a multilateral conference on this issue.

In his words, Russia is ready to render assistance to North Korea's move "from heavy water graphite-moderated reactors to light water reactors if the international community finances this project." "Our partners, including Americans and others, have shown great interest in our proposal," Kozyrev said.

Speaking about the decision of the American Senate to link economic assistance to Russia with the withdrawal of Russian troops from the Baltic states before August

31, Kozyrev indicated that this decision "is perplexing, in the least." He reminded that the term of Russian forces withdrawal depends "upon the readiness of the Estonian side to present an answer to our proposals."

Kozyrev declared that the Russian leadership and himself "categorically reject any linking regarding the issues of economic assistance and economic cooperation." This resolution of the American Senate "is just inappropriate," Kozyrev stressed.

In his opinion speaker of the Russian upper chamber of parliament Vladimir Shumeyko, who is due to make a visit to the U.N. Friday, can monitor this issue. According to Kozyrev, as head of the upper chamber Shumeyko can "speak with the American senators before the things go too far."

Kozyrev: PRC Accords To Raise Ties to 'New Level'

LD1507202494 Moscow ITAR-TASS in English 1946 GMT 15 Jul 94

[By ITAR-TASS diplomatic correspondent Aleksandr Krylovich]

[Text] Moscow July 15 TASS—There is a whole row of major political accords in Russia's relations with China, Russian Foreign Minister Andrey Kozyrev said in the State Duma today. According to the minister, they would help "raise relations between the two countries to a qualitatively new level."

Moscow continues to strengthen ties with Asia, noted Andrey Kozyrev. "The major event from this point of view" are the negotiations held last month with the head of the Chinese Foreign Ministry Qian Qichen in the Russian capital last month. Their main objective, like the recent visit to Moscow by Defense Minister Chi Haotian, was to make preparation for a visit by Chinese Chairman Jiang Zemin at the beginning of September."

According to Kozyrev, among the documents which are planned to be signed by the two sides are a "major political declatration on a constructive partnership with China." Also in the process of working out is an agreement on non-targeting strategic nuclear missiles. "Like our neighbor China, the Russian public could thus be confident that no more nuclear warheads are targeted on it from that side."

Andrey Kozyrev recalled that accords with the United States and Great Britain on non-tageting missiles have already been reached. Talks are underway on this problem with France as well.

According to the minister, a major dialogue is to be held on the normalization and the precise situaion on the Russo-Chinese border. Explaining the causes of the introduction of visa procedure, he said that non-visa travel regulations led to the flooding of Russian territory by migrants from China. The neighbors, he noted, reacted to this side of the question with full understanding. At the same time, it is advisible to ensure relaxed regulations governing controlled travels to border regions by citizens. "We will search an optimum solution to the question, including at high-level talks," the minister said, and noted that the main objective is to "provide a civilized character to economic ties between the two countries."

PRC Defense Minister Satisfied With Visit

LD1607122994 Moscow ITAR-TASS in English 1144 GMT 16 Jul 94

[By ITAR-TASS news analyst Vladimir Gondusov]

[Text] Moscow July 16 TASS—A Chinese military delegation left here for home on Saturday.

In a conversation with Russian generals at Sheremetyevo airport, Colonel-General Chi Haotian, Chinese minister of defence, expressed satisfaction with the results of his official visit to Russia.

The Chinese guest referred to his meetings with Russian Prime Minister Viktor Chernomyrdin, First Vice-Premier Oleg Soskovets, Minister of Foreign Affairs Andrey Kozyrev and Defence Minister Pavel Grachev as the most important ones.

The meeting with Chernomyrdin, in particular, became one of the working aspects of the preparation of the forthcoming visit of Chinese President Jiang Zemin to Russia in September this year. The two sides also agreed that a successful policy in the Asia-Pacific region is impossible without Russia's and China's participation.

The two countries' defence ministers agreed on the need to begin consultations and meetings of delegations at various levels, including military ones, to discuss the establishment of a collective security system in the Asia-Pacific region. The process, as Grachev emphasised, should evolve without any pressure, with the consent of all or most countries in the region which will possibly join a Pacific rim collective security system which by a number of features would differ from a similar system in Europe.

Chi and Grachev signed an inter-governmental agreement on the prevention of dangerous military activities. The Chinese minister referred to the agreement as a guarantee of the maintenance of lasting friendly relations between the two great states.

In response to a question from ITAR-TASS after signing the agreement, Chi expressed hope that the border between the two states, which is more than 4,000 km long, "will become the border of peace, friendship and common prosperity", which will promote stronger security and stability not only of China and Russia but also Pacific rim countries and the whole world.

The agreement signed in Moscow envisages the prevention of incidents that may arise unexpectedly between the two countries' armies during day-to-day activities of troops: an unintentional crossing of the border by aircraft or ships, an accidental missile launch, the use of laser in cases when its emission may be detrimental to the other side, interference in control networks, etc.

The importance of the document, which took effect from the moment it was signed, is unmistakable. Although the Russian Army in the Far East and Trans-Baykal area has been considerably reduced and a powerful group of forces has been withdrawn from Mongolia, there is still a sufficient amount of combat hardware on both banks of the Amur, and it is essential to rule out any military incidents. Earlier Russia concluded similar agreements with the United States, Canada, and Greece.

The Chinese defence minister positively assessed Moscow's readiness to assist China in training military specialists, those for Su-27 fighter planes and S-300 anti-aircraft missile systems. Chi believes that up-to-date Russian hardware has considerably strengthened the Chinese Army.

Commentary Views PRC Security Measures

OW1807035994 Moscow Radio Moscow in Mandarin 1000 GMT 17 Jul 94

[Commentary by station observer Mulatov; from the "Sunday Outlook" program]

[Text] Foreign correspondents in Beijing reported that the Chinese authorities have adopted new measures to maintain social order and political stability in China. The Chinese authorities have released government documents which give broad authority to competent organs, enabling the latter to promptly curb groups with dissenting political views, anti-socialist hostile elements, and activities not befitting certain religious groups. Henceforth, activities conducted by those with dissenting political views will be considered hostile. Special attention will be paid to contacts between personal representatives or representatives of nongovernment organizations with foreigners. The authorities has instructed the secret service to more closely monitor activities—by Chinese inside and outside the country—that could harm national interests or destroy the socialist system. In his commentary, station observer Mulatov has this to say:

China foresees a complicated domestic political situation following Deng Xiaoping's eventual passing, and is tightening the screws now. In short, this is generally how foreign media respond to the new measures adopted by the Chinese authorities to maintain internal social and political stability. We will not speculate on the linkage between these measures and the Deng Xiaoping issue. I fail to understand why some people in the world believe China will remain as it is as long as Deng Xiaoping lives, but will change under the administration of Deng Xiaoping's successor. I believe this view is too simplistic. The view is dictated by studies of the East conducted by the West on how to assess dynastic changes in Eastern countries. However, saying that all changes in China's domestic policies occurred because of dynastic changes is not necessarily correct.

Deng Xiaoping is the chief designer of China's economic reform. Even the naked eye can see that China's economic reform (?cannot be reversed). For the time being, China believes it has yet to solve the issue of political liberalization. China has no intention to see its political system liberated in a free, spontaneous, and unrestrained manner. Besides, Deng Xiaoping's view on building socialism with Chinese characteristics is actually based on the argument that political stability is the most important prerequisite for a completely successful economic reform. Naturally, measures adopted by the Chinese authorities to prevent people with dissenting political views from playing their roles and to maintain China's social and political stability have now become the target of criticism by Western human rights activists and Western liberals. However, in reality, these measures suit the characteristics of today's China.

Rwandan Sides Urged Immediately To Cease Fire

LD1507203194 Moscow ITAR-TASS in English 1812 GMT 15 Jul 94

[By an ITAR-TASS diplomatic correespondent]

[Text] Moscow July 15 TASS—The Russian Foreign Minsitry today callled to immediately cease fire in Rwanda. According to a ministry statement, both Rwandan sides must, finally, show the will and responsibility for the fate of their people and immediately put an end to the national suicide.

The new serious aggravation of the situation as a result of armed actions between warring Rwandan sides on the north-west of the country, the Russian minsitry statement said, has been provoked by another exodus of thousands of refugees to neighbouring countries. The threat to the destabilization of the entire region is on hand, it said.

The renewal of the political settlement, the Russian Foreign Ministry assumes, would be the unfolding a widespread U.N. mission to provide aid to Rwanda, activization of peace efforts by the Organization of African Unity OAU, the contiguous African states and the entire international community. This would help create conditions for a speedy and effective observance of the U.N. Security Council decisions and eliminate the conflict in Rwanda, the Russian Foreign Minsitry said.

Damascus Says Syria 'No Obstacle' to Middle East Peace

LD1507153994 Moscow Mayak Radio Network in Russian 1300 GMT 15 Jul 94

[Text] Syria is no obstacle to a comprehensive peace in the Near East. It is willing to discuss any bilateral question with Israel, but only after the latter expresses readiness to withdraw its troops from the Golan Heights. This statement was made to an ITAR-TASS correspondent by a high-ranking Syrian source in Damascus, on the eve of the visit to the Syrian capital by U.S. Secretary of State Warren Christopher. The Syrian leadership believes that real peace has not yet arrived in the Near East. The reason for this is Israel's stubborn refusal to implement resolutions of the international community, which led to the launching of the regional peace process in Madrid.

Syrian Foreign Minister To Visit Moscow

LD1707092294 Moscow Radio Moscow World Service in English 0700 GMT 17 Jul 94

[Text] Syrian Foreign Minister Faruq al-Shar', is to arrive in Moscow to exchange opinions on bilateral relations. An agreement has been reached to this effect at a meeting between al-Shar' and the Russian president's envoy to the Middle East, Viktor Posuvalyuk.

The latter stressed that one cannot expect any revolutionary breakthrough developments on the Middle East issue in the near future; rather we are challenged with the next stage of painstaking diplomatic efforts. In Posuvalyuk's opinion, Syria's commitment to the idea of peace is beyond a shadow of doubt. He also believes that the recent statement made by Israel's foreign minister, Shim'on Peres, on a complete recognition of Syria's sovereignty over the Golan Heights, is very significant.

Yeltsin Envoy Arrives in Syria for Talks With al-Shar'

LD1507215994 Moscow ITAR-TASS World Service in Russian 1531 GMT 15 Jul 94

[By ITAR-TASS]

[Text] Cairo, 15 Jul—Viktor Posuvalyuk, special Middle East envoy of the Russian president, arrived in Syria from Tunis late on Thursday evening. It has been announced here that in Damascus he will hold talks with Syrian leaders on the Middle East peace process and will meet Syrian Foreign Minister Faruq al-Shar'.

Speaking to journalists before his departure by air from Tabarka in Tunisia, V. Posuvalyuk voiced the hope that Syria and Lebanon would join in the multilateral talks. In Tunisia Posuvalyuk took part in the multilateral talks on the Middle East which ended on Wednesday with the adoption of a decision to set up a think tank, which is to present information on the events which have taken place in the region over the last 10 years.

Envoy Ends Visit

LD1607171794 Moscow ITAR-TASS in English 1647 GMT 16 Jul 94

[By ITAR-TASS correspondent Rafael Bikbayev]

[Text] Cairo July 16 TASS—The Russian president's special envoy in the Middle East Viktor Posuvalyuk ended his visit to Syria on Saturday.

During the visit that started on Thursday, Posuvalyuk met with Syrian Foreign Minister Faruq al-Shar' to discuss the peace process in the region and bilateral relations.

Local political circles link Posuvalyuk's Middle East tour which included Tunisia and Syria with U.S. Secretary of State Warren Christopher's upcoming visit to the region. They noted that the United States and Russia maintain close coordination in the Middle East settlement process.

Trade, Economic Agreement Initialled With Lebanon

LD1507134494 Moscow ITAR-TASS in English 1241 GMT 15 Jul 94

[By ITAR-TASS correspondent Dmitriy Zelenin]

[Text] Beirut July 15 TASS—Russia and Lebanon have initialed an intergovernmental agreement on trade and economic cooperation between the two countries, the first such document since 1970. The document was sealed on Thursday by Director General of the Lebanese Ministry of Economy and Trade Muhammed al-Amin and head of a group of experts from the Russian Ministry of Foreign Economic Relations Yuriy Kiriyakov.

The move was a result of many years of work by economists, lawyers and diplomats of the two countries. It is significant that the document was initialed on the eve of the 50th anniversary of the establishment of diplomatic relations between Moscow and Beirut.

The Lebanese minister of economy and trade, Hagop Yerwant Demourijian, who himself contributed greatly to the achievment of the agreement, told a press conference that the document will be signed next September during Lebanese Premier Rafiq al-Hariri's visit to Moscow. The new agreement creates a solid legal basis for mutually beneficial Russian-Lebanese cooperation, opens new prospects for trading between small and middle-sized companies of the two countries, and attracts investments in the Russian and Lebanese economies, the minister stressed.

Arms Deals Worth $1.5 Billion Concluded in 6 Months

LD1507164794 Moscow ITAR-TASS in English 1633 GMT 15 Jul 94

[By ITAR-TASS correspondent]

[Text] Moscow July 15 TASS—During its six months of exisistence, the state-owned "Rosvooruzheniye" company has signed contracts for delivering more than 1.5 billion U.S. dollars worth arms. This figure was announced at a meeting of the company's management.

The company deals in export and import of arms and military equipment, "Rosvoorzeniyes"' press service informed ITAR- TASS today.

The officials of the company, General-Director Lt. General Viktor Samoylov, representative of the Russian president in the company's board of directors Air-Marshal Yevgeniy Shaposhnikov and chiefs of leading departments of the state company's management summed up the report on the company's first six months' of work.

Experts at the meeting, held on Thursday, noted that there is every hope that planned supplies of arms and military equipment for 1994 will exceed the preceding year's level, depending on possibilities of the federal budget and under specific organizational measures, which are being worked out.

It was more than once emphasised at the meeting that "one of the most serious problem, which is jeopardizing prompt solution to supply of special property to foreign clients is the licencing.

The state-owned "Rosvoorzheniye", whom the Russian president and the government have given the right "to all types of military- technical cooperation, and activities of which are under the permanent control of presidential structures, in spite of this has to fulfil quite difficult procedure of receiving and registration of licences for its each and every deal in the sturucturs of the ministry for foreingn economic relations," the state company "Rosvooruzheniye" press service noted.

Chernomyrdin Receives Parisian Mayor, Views G-7, Bosnia

LD1507171694 Moscow ITAR-TASS World Service in Russian 1556 GMT 15 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 15 Jul—Russian Prime Minister Viktor Chernomyrdin today received Parisian Mayor Jacques Chirac, who is here on a working visit. Jacques Chirac, who is a well-known French politician and the chairman of the RPR [Rassemblement pour la Republique] party, spoke highly of the real and visible changes in Russia's economy. "Of late it has been enough to leave Russia for just one year not to recognize it," the Parisian mayor emphasized in his conversation with Chernomyrdin. "We recall a time when there was open talk in Europe of the threat of hunger—even in Moscow—during the first winters of the implementation of reforms in democratic Russia. Now the choice of goods in Moscow's shops is similar to the choice in Europe."

Touching on the recent gathering in Naples of the leaders of the the seven industrially advanced countries, in which Russia participated, Viktor Chernomyrdin informed Jacques Chirac that the Russian side is satisfied with the course of the discussions within the club of leading world powers and also at the fact that on this occasion Russia was fully involved in the club's discussion of the political package of world problems. "The seven were thereby officially transformed into the eight," the Russian prime minister stressed, "although we realize that to be fully involved in such a summit meeting in respect of economic issues Russia needs to make deeper structural transformations in industry and agriculture."

Viktor Chernomyrdin reaffirmed Russia's firm position regarding a settlement of the situation in Bosnia and Herzegovina—an issue that particularly interested the visitor from Paris. The untying of the Bosnian knot of problems must be effected only by negotiations and taking account of the views of all the belligerent sides, the Russian prime minister stated.

Official Says Russia's Role in Europe 'Need Not Be Proved'

LD1507140794 Moscow ITAR-TASS in English 1340 GMT 15 Jul 94

[By ITAR-TASS]

[Text] Bucharest July 15 TASS—"Aggressive statements of representatives of some groups in a broad political spectrum of Russia should not be viewed as an official stance of Russia, which is a peaceful state," Mikhail Mityukov, first deputy speaker of the Russian State Duma, said at a seminar of the North Atlantic Assembly in Sinaia, Romania.

The seminar of this interparliamentary organisation of NATO which, in addition to 16 permanent members, includes countries of the former Warsaw Treaty as associated members, was devoted to problems to regional security and cooperation in Central Europe. The conflict in the Dniester area and the situation in Moldavia [Moldova] as a whole was one of the main items.

Mityukov believes that accusations of "intervening in affairs of other countries" that are levelled at Russia more frequently of late can be explained by the lack of the understanding of Russia's peace- making activity in some republics of the former USSR, specifically in Georgia, Tajikistan and Moldavia, with the consent of their lawful governments. Russia does not claim a greater role than the role that it is now objectively playing in Europe. This is the role of a great power which is apparent and need not be proved. In the family of civilised European states Russia will be developing its relations with neighbours with consideration for their interests and without detriment to its own interests.

$200 Million Contract To Supply Arms to Turkey Possible

LD1707135094 Moscow Radio Rossii Network in Russian 1300 GMT 17 Jul 94

[Text] The Russian Government delegation led by First Deputy Prime Minister Oleg Soskovets, which is currently in Turkey is preparing a memorandum on bilateral military and technical cooperation, Viktor Samoylov, chairman of the "Rosvooruzheniye" state company, has said in an interview with RIA.

The document envisages the possibility of signing a contract worth $200 million on supplying Russian arms to Turkey, moreover, a third of the amount is to be used to pay off the Russian debt to Turkey.

According to Samoylov, the Turkish side is showing particular interest in BTR-80 combat vehicles [armoured personnel carriers], helicopters, small arms and ammunition, as well as spare parts for military equipment. He said Russia's approach to supplying armaments to Turkey was cautious but categorically ruled out the possibility of combat equipment being re-exported to "hot spots".

Turkey To Buy Russian Arms; Payment Method May Mar Deal

LD1707183094 Moscow ITAR-TASS in English 1819 GMT 17 Jul 94

[By ITAR-TASS special correspondent Oleg Velichko]

[Text] Antalya, Turkey July 17 TASS—Russia's state arms trading company Rosvooruzheniye said it has prepared a memorandum on military and technical cooperation between Russia and Turkey to be signed at the upcoming inter-governmental talks, company head Viktor Samoylov said.

In an interview with ITAR-TASS on Sunday, Samoylov said that the document confirms Russia's readiness to sell some types of equipment and military hardware Turkey has requested.

Samoylov pointed out that the contract is estimated at 200 million U.S. dollars and will be carried out within the next two to three years. He noted that Turkey is especially interested in purchasing Russian BTR-80 armoured personnel carriers, military helicopters and firearms.

The form of payment for Russian arms supplies could become a stumbling block at the forthcoming talks. A Turkish Foreign Ministry official said that Ankara tends to consider the Russian arms supplies as payment for the 403.3 million U.S. dollar credit Turkey granted Moscow in 1989. However, Russia insists that only 30 per cent of the deal be used to pay off the debt, while the remaining 70 per cent Turkey should pay in hard currency.

Agreement Signed With Dushanbe on Military Cargo Transit

LD1707193194 Moscow ITAR-TASS in English 1924 GMT 17 Jul 94

[Text] Moscow July 17 TASS—Russia and Tajikistan signed an agreement in Dushanbe on Sunday, guaranteeing the free passage of cargoes for Russian border guards stationed in Tajikistan.

In an interview with Russian television on Sunday, Colonel-General Nikolayev, commander of the Russian Border Troops, said that the Tajik-Afghan border means a lot not only for Tajikistan and Russia, but also to other CIS republic.

This border "is too valuable for our people in order not to protect it, and we will protect it from the enemy by all available means," he said.

Chernomyrdin Views Recent Belarusian, Ukrainian Elections

LD1507162494 Moscow INTERFAX in English 1517 GMT 15 Jul 94

[From the "Presidential Bulletin" feature: Reports by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] At the session of the Cabinet Chernomyrdin touched upon the recent elections in Belarus and Ukraine. He said he was certain that the "peoples of the fraternal countries had issued their leaders the mandate to hold realistic economic and political reforms that can become not only major factors for stabilization, but take relations with Russia to a qualitatively new level." In the meantime presidential aide Georgiy Satarov believes the results of elections in Ukraine and Belarus are controversial for Russia. Satarov told Interfax on Friday that Ukraine in the first place will have to eliminate the risk of a split along geographical and social lines". Satarov believes that Ukraine's pre-occupation with its own problems may make the Russian-Ukrainian dialogue less intensive for a while.

As for Belarus, Satarov said that that country was faced with the task of building a fundamentally new type of government—a presidential one. "In many respects Belarus would have to start from scratch", Satarov said. He does not rule out that as it forms new bodies of power, Minsk would take Russian experience into account.

Kozyrev Sees 'New Phase' in Relations With Belarus, Ukraine

LD1507164694 Moscow INTERFAX in English 1417 GMT 15 Jul 94

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[TEXT] According to Russia's foreign minister, Andrey Kozyrev, the recent elections in Ukraine and Belarus testify to a new phase in the development of relations between those countries and Russia. "The trend toward proceeding from the need to understand the objective necessity of cooperation with Moscow, not from their fear of the old Center, has emerged in both countries," he told Interfax on Friday.

Such cooperation has nothing in common with renouncing their independence or sovereignty, the foreign minister stressed. "This rather testifies to a better understanding of how to exercise sovereignty through strengthening integration ties, with Russia too," he said. "The fact that both Kuchma and Lukashenka displayed no fear of being accused of pro-Moscow stands, that they openly advocated the development of relations with Russia, shows that public opinion in Ukraine and Belarus has matured, that their independence is full-grown."

Nevertheless the head of Russian diplomacy warned against "euphoria and hopeless expectations that now everyone will forget about their economic interests, parliaments and laws, and that a kind of merger will begin." "I think that this is unreal, and we do not expect it," he noted. "We cannot speak about an immediate and full integration, since the economic models in our countries are different enough."

Economic models in the three countries differ substantially, Kozyrev explained. "As a result of this circumstance negotiations on economic link-up will be rather complicated, and maybe even tough," he noted.

As Russia's foreign minister said, the former Soviet republics "seem to have sobered up in terms of their own economic opportunities." "The syndrome of utter separation is over," he said. "West European countries have been moving toward integration for 40 years now. Our aim is the same, and we shall be reaching it, like they did, by overcoming complications and resolving concrete economic problems."

Russian, Ukrainian Trade Unions Sign Accord

MK1507113094 Moscow SEGODNYA in Russian 15 Jul 94 p 2

[Report by Andrey Nikolayev under the "Neighbors" rubric: "Trade Unions Decide 'To Increase Their Role' in Russia and Ukraine. They Expect To Bring Yeltsin and Kuchma Closer Together"]

[Text] Mikhail Shmakov, chairman of the Federation of Independent Trade Unions of Russia [FITUR], and Aleksandr Stoyan, chairman of the Ukrainian Trade Union Federation [UTUF], have signed a treaty on cooperation. From now on, the document says, the FITUR and the UTUF, proceeding from the principles of "respect for independence, equal rights, and noninterference" in each other's affairs, think it necessary to take joint efforts "effectively to protect the interests and rights of the working people, trade union rights and freedoms, and the appropriate place and role of trade unions in society."

Among the main areas of cooperation, the treaty mentions a group of questions regarding "the protection of economic and social interests of hired labor," which call, in particular, for solidarity in the struggle for the rights of trade union members. In addition, the document formulates objectives in the development of "mutually enriching contacts" in the cultural area and calls for exchanges in various kinds of information and also specialists in order to assimilate each other's experience.

Speaking before journalists after the cooperation treaty was signed, Mikhail Shmakov and Aleksandr Stoyan said that its implementation would "help increase the role of trade unions in the life of Russia and Ukraine." At the same time, in the view of certain Russian trade union leaders, the treaty, which was signed on the eve of the expected meeting between Boris Yeltsin and Leonid Kuchma, will make a certain contribution to "bringing closer together the presidents' views on solving social and economic problems."

Kuchma, Lukashenka Line on Army Issues Viewed

MM1507113094 Moscow KRASNAYA ZVEZDA in Russian 15 Jul 94 p 1

[Article by Oleg Odnokolenko: "L. Kuchma and A. Lukashenka Promise To Restore Society's Former Attitude to the Military"]

[Text] Along with the longed-for power, the new president of Ukraine and the first president of Belorussia [Belarus] have also inherited from their predecessors the burden of so-called military problems. Each has his own problems, but they are similar in many ways. And here it should be noted that, in general terms, the present leaders have a clear idea of the fundamentals of army service and what you might call its prosaic side. Alyaksandr Lukashenka, for instance, not only did his compulsory service, but also served for two years as an officer. And Leonid Kuchma's close involvement with the military-industrial complex, moreover at a high level, speaks for itself. Maybe that is why both of them, in the course of the election campaign, were able to speak to people in uniform in a language they could understand.

Alyaksandr Lukashenka's election program cites, for instance, these words: "For the president and government, the problems of the defenders of the Fatherland will be a priority. We are not yet living in a world of universal well-being and security.... The president will take every step to restore the prestige of army service, and that includes resolving questions of social protection and material provision for servicemen." And now let us give Leonid Kuchma the floor: "Remember the respect, concern, and love that used to surround the Army in our country. People were proud to serve in the Army, there was no shortage of people entering the military academies. However difficult things may be for the state, it is necessary to restore society's former respectful attitude toward people in uniform."

Fine words indeed. But it is reasonable to suppose that the results of the voting in the army milieu were influenced not so much by the new leaders' promises as by distrust in their predecessors' assurances. There are reports, for instance, that in Belorussia the Defense Ministry leadership virtually ordered the men to vote for Kebich, yet nonetheless, as our correspondent Colonel Valeriy Kovalev reports, even at closed [army] polling places Alyaksandr Lukashenka's rival did not secure a majority. The story was the same in Kiev: Here too the Ukrainian Defense Ministry was unable to make every single soldier on compulsory service give his preference to Leonid Kravchuk. Analyzing the sentiments among the military, our Kiev correspondent Colonel Anatoliy Polyakov notes that the "crude agitation methods" used by the ex-president's supporters among the top military leadership were actually counterproductive.

But those are preelection matters. Today the president of Belorussia and the president of Ukraine are concerned with other, urgent matters, and have not yet faced up to military problems. Unless, of course, you count Alyaksandr Lukashenka's statement at his firt press conference to the effect that Belorussia was the first of the post-Soviet states to renounce the possibility of actual possession of nuclear weapons and is prepared to fulfill its commitments on that score. Leonid Kuchma's most "military" statement, not surprisingly, concerned the problem of the Black Sea Fleet. He gave an assurance that he has the will to cut this "knot," and so decisively that nobody will ever again be able to play the "Black Sea card." But it seems that will alone is not enough here. One would like to believe that a serious politician has a serious program for resolving such an acute problem. Russia pins great hopes on this, since Kravchuk's constant "tacking" and the systematic exploitation of the Black Sea Fleet problem for political purposes brought the situation to a very dangerous point. Only one thing is known more specifically as regards Leonid Kuchma's position on this matter: He does not think it is possible to divide up the Black Sea Fleet. In his opinion Ukraine must have its own strong border fleet, and oceangoing ships are not suitable for that task.

Now to another aspect of the two presidents' military concerns. Their simultaneous desire to wage war on the local mafia and corruption will undoubtedly require some efforts in the army milieu too. It is no secret to the public that neither Kiev mor Minsk has been too squeamish about the arms trade. Whether there have been abuses, maybe the future will tell. In any case, long before his election to the presidential post Alyaksandr Lukashenka made an accusation of that kind against the present Defense Minister Colonel General Pavel Kozlovskiy. It was said, in particular, that the latter had farmed out the weapons trade—"not without self-interest, of course"—to private firms. The case of the sale of old carbines to Latvia at a reduced price figured specifically in the charge. Kozlovskiy sought to defend his reputation in the court, but the case has not yet been heard and now it is presumably unlikely that it will be. Be that as it may, experts are all but certain that the present Belorussian military minister will not keep his post. It is considered highly probable that this post will be taken by Colonel General Petr Chaus, at one time the republic's acting defense minister, who is unsullied by political intrigues.

But doubtless nobody knows better than the presidents themselves about the forthcoming changes. The formation of the teams has only just begun.

Clearly it is premature also to discuss how the two Slav states' relations with Russia will develop in the context of the changes on the national Olympuses. But there is hope that things will be better than before. At any rate, both Lukashenka and Kuchma, judging by their assurances, are inclined toward closer cooperation and a good partnership in both politics and economics, which naturally presupposes a different approach to military cooperation too. But since this sphere is very sensitive, the most sensible thing to do is to avoid all predictions as yet. However, it is well known that Russia and Belorussia do not, did not, and, God grant, will not have any reason to brandish bayonets at each other. As I recall, Leonid Kravchuk also regarded suggestions concerning military operations of any kind against Russia as blasphemous. Nonetheless, it was during his time at the helm of state that activists of the Ukrainian Officers Union, in the course of certification, asked officers to what extent they were prepared to "shoot at Muscovites." Anyone who was not prepared to do so was stripped of his shoulder boards. That was the prosaic side of life....

Leonid Kuchma, as far as can be judged, is not inclined to engage in dual politics, something that one can easily believe Leonid Makarovich [Kravchuk] used to do at times, transforming himself, according to circumstances, from the top "communist ideologist" to practically the top nationalist. The present president of Ukraine stated on the eve of the elections: "Why should blood be shed in Ukraine? Who is about to wage war—whether inside or outside Ukraine—and on whom? On Russia, perhaps? These are very dangerous statements, it is dangerous playing with fire...."

Which probably says it all. It only remains to wish the gift of wisdom to the statesmen in whose hands, through the peoples' will, our fate and are future have been placed.

Behavior of U.S. Consular Officials Deplored

MM1507190194 Moscow IZVESTIYA in Russian 16 Jul 94 p 6

[Open letter by journalist Yevgeniya Albats: "Face to Face With an American Bureaucrat. On the Manners of U.S. Consular Officials in Moscow"]

[Text] To the U.S. Ambassador

Your Excellency Mr. Pickering,

To begin with, allow me to cite two quotations. One is from Congressman Barney Frank's letter to the U.S. Embassy in Moscow (11 February 1993), the other is from the reply to this letter written by Mr. James Collins, at the time (February-March 1993) acting chief of mission in the Russian capital.

"Dear Mr. Collins,

"My letter to you is prompted by concern at information which I have heard from people visiting the U.S. Embassy in Moscow. Specifically, it applies to people who have applied for a (U.S.) visa and who have been treated with great disrespect during their interviews. In certain cases applicants have left the embassy feeling insulted(....)

"I have no doubt that you will agree that for many (Russian citizens) the embassy is their first contact with the United States, and this experience should not be disappointing or humiliating." (Footnote) (Here and subsequently the translation is the author's from originals submitted to her by Congressman B. Frank).

Mr. Collins' reply (17 March 1993) to the congressman's letter was as follows: "...The consulate management is concerned to create a favorable impression of the work of our service, makes tremendous efforts to cope with the more than 140,000 visa requests which the consulate receives each year, and tries to do its job with skill and, at the same time, respectfully. Unfortunately, it is virtually impossible to avoid complaints from applicants, since these complaints are prompted by the very nature of our service, which is forced to turn down the visa applications of those to whom visas cannot lawfully be issued. As a result, the applicants themselves who have been refused a visa, and their relatives and sponsors in the United States feel insulted(....) Consequently, irrespective of the level of attention and sympathy which a visa service officer shows in these cases, there is a risk of accusations of rudeness, arrogance, and malice—this risk is an ever-present in our work. We attentively investigate every case when our staff are accused of improper behavior. In certain cases these complaints have been borne out by the facts, but the majority of such complaints are either entirely unfounded or were an attempt to exert pressure on us with a view to obtaining a visa that had previously been refused."

I will be citing specific cases.

But, first and foremost, let me say that this piece is not a complaint, nor is it in any way aimed at exerting pressure "with a view to obtaining a visa"—I already have one. I have visited the United States often over the past few years and the Moscow Consulate has never—either now or before—refused to grant me permission to enter America. Moreover, when the then Soviet authorities tried to prevent me leaving the country in June 1991, stating that "the Americans will not give you a visa," the U.S. Consulate did everything it could to help.

But I have also had occasion to hear my fellow citizens talk about the humiliating—yes, humiliating—way in which they have been treated during their meetings and conversations with staff at the Moscow Consulate.

I decided to check up on this personally, to carry out an experiment myself—prior to 30 June 1994 I had never been in the consulate building, formerly all my documents were processed through the newspapers where I worked.

...June 30 was a sunny day, I felt marvelous, the waiting line to get into the visa service building was unexpectedly short, and the guards were friendly. Inside, the overcrowded hall—obviously not designed for such a large number of people—was nonetheless an example of American cleanliness. Clear and intelligible instructions in both languages on what needed to be done and in what way, what forms needed filling in and in what way were on display. And the very way in which the building was organized showed that the consular officials are at least familiar with ergonomics—there was no need to trudge, as we are used to doing, from one window to another in order to find out where to go.

I was lucky—I managed to find a spot right in front of window No. 1, where a consular official (Mrs. Claudia Hall, it later transpired) would call for an interview (it was necessary to go up a short metal staircase) those who had submitted their documents a day or two earlier.

As a journalist I was doubly lucky—I was the very last one to be called to the window. Consequently I was able for three and a half hours to listen with my own ears to things that I had previously only been told.

It was a play with two actors. No, of course, there were actually more actors—20, 30—I did not count. But in terms of the way they sounded, there were indeed just two. One voice—tough, demanding, peremptory, and amplified by a microphone—belonged to Mrs. Hall. The other—humble, pleading, ingratiating, tongue-tied, and unable to even say anything before meeting with the sharp and rude response "I didn't ask you that" or "I haven't time to talk to you"—united all the others who visited the window.

The most varied types visited the window—businessmen, translators, academics. There were more young businessmen, incidentally. Which is understandable—a single-entry visa to the United States now costs approximately half an ordinary Muscovite's average monthly salary (and the whole salary of an academic from a higher educational establishment), a multiple visa costs almost three times the average salary (240,000 rubles). Admittedly, these prices were introduced in response to the extortionate rates charged by Russian consulates in the United States. Just as it is true that the average wage in the United States is approximately 500 times higher than in Russia. But this is not what we are talking about—if people are going abroad, it means they either have money or sponsors.

...Meanwhile the voice from the microphone was putting the following question to a young woman who had come to the window with a teenage girl:

"Why are you traveling to the United States?"

"To see the country, to show my daughter...."

"Where did you get the money from?

"I'm head of a major firm...."

"How much do you earn?" (I would note that asking this question in the United States would be as unseemly as asking a stranger what kind of sex he prefers.)

"One and a half million," the women replied, slightly lowering her voice—clearly remembering the realities of our criminal scene, where it is better not to mention such sums for personal security reasons, no matter how honest the people around may seem.

"How much? I couldn't hear you!" rasped the voice behind the bullet-proof glass....

"Miss," the applicant began, clearly fearful of meeting the same fate as her predecessor (who was refused).

"Don't you 'miss' me," the voice snapped back.

"Forgive me. Madam...."

I was fuming. If you closed your eyes and overlooked Mrs. Hall's accent, you could really picture an ordinary Soviet store in the mid-eighties—only in place of the window a counter, behind which would be a barking saleswoman who saw every customer as her personal enemy taking away the last 100 grams of scarce sausage....

Finally there were just two of us left in the empty hall, apart from the guards—a gray-haired intelligent-looking woman (well past 50) and the writer of these lines.

"Don't get upset," I heard the applicant say in the silence of the hall. She probably thought that her age—and she was at least half as old again as the consular official—would reassure and win over Mrs. Hall, who was clearly now exhausted at the unending stream of people seeking to enter the United States. It was not to be.

"Who asked you? Go away," she was ordered.

"She's hopeless," this nice lady said to me with a sad smile as she came down the stairs with some difficulty. (She did get her visa 10 minutes later).

...I have spent a total of 18 months in the United States, covering 11,000 miles by car in this wonderful, marvelous country which just has to be seen if you want to understand how normal, civilized, self-respecting people should live. I have visited many offices, including ones with waiting lines, but I have never heard state employees permitting themselves to take the kind of tone with others or treat them in the way that this official at the U.S. Consulate in Moscow acted. Or was it just because there were Americans in those lines?....

My turn came. I was surprised—the voice which I had been listening to for over three hours was strikingly at odds with the appearance. Behind the double glass at window No. 1 was an interesting, nice-looking, smiling brunette whose evident ill will was only betrayed by her eyes and, of course, her voice.

I must admit that I did not feel like smiling. I spoke English.

"Speak Russian," the lady rebuked me.

I do not know what the expression on my face was like just then—whether one of unspoken surprise that for the first time on U.S. territory (and the embassy is U.S. territory) an attempt to speak in the other party's native language (which is a sign of respect in Russia) was received so patently negatively, or one reflecting the full range of emotions that had been building up inside me over the past few hours.... I did not have time to say another word before I heard:

"You aren't ready for the interview. Go away, I'll call you."

Quite honestly, it is a long time since I can remember any official deigning to speak to me in that tone of voice.

Our next encounter—about 10 minutes later—was even less agreeable than the first. In order to save space, I will not reproduce it. Mrs. Hall clearly liked nothing about me—not even the invitation sent by one of the best known American universities. When I showed my press pass, I managed to learn the name of the person I was talking to. When I asked her to state her position, the soundproof glass shook and she waved her hand, as if to say: "Get out, Russky." But I was able to say: "You may not like the country you have to work in, that is your right. You may not like the people who come for visas—that's understandable too. But you have to respect them."

Mrs. Claudia Hall smiled.

...Outside the sun was still shining. I stood on the sidewalk in front of the embassy building and recalled how 18 months ago (shortly before the correspondence at the start of this article was written) an American colleague of mine who had visited the consulate with a Russian friend sat down right here on the dirty paving and wept:

"It's terrible, terrible. They shouldn't talk that way," she repeated. "I'm so ashamed, so ashamed...."

Highly Esteemed Mr. Ambassador,

I realize that the American consulates in Moscow and other cities of the former Soviet Union are very busy. I also understand all the fears about illegal emigration from Russia and the other CIS republics to the United States. I have heard that over the past few years virtually 28 percent of those of my fellow citizens who obtained permission to temporarily enter the United States have disappeared forever within the expanses of your country. I know that, even despite this, the United States—unlike many European countries—is keeping its doors, if not open to us, then at least ajar. Finally, I recognize that by no means all the staff at U.S. institutions in Russia find living and working here a bowl of cherries (although I know many, many Americans—including consular officials—who sincerely love my country). But nonetheless, nonetheless, I have to ask some questions.

Literally all more or less official forms which I have ever seen in the United States have written at the bottom or on the back: "Discrimination on religious, ethnic, or racial grounds, or on the grounds of age, gender, or sexual orientation is a violation of U.S. laws." Do these laws not hold good on U.S. territory in Moscow—that is, on the territory of the embassy and the consulate?

But forget about laws—particularly in our lawless land. There is something else I do not understand—how can people born and raised in a country where democracy and human rights are almost a religion allow themselves to be so disrespectful to citizens of another country in the way that I witnessed? Or can human rights be forgotten outside of the confines of the Bill of Rights?

Humiliating Russians is no big deal. My fellow citizens have known plenty of humiliation—particularly from their own kind. Unfortunately, they are so inured to it that they often see it as an inevitable attribute of their lives. But is it not obvious and has it not often been said that humiliating the "base and abused" demeans above all those doing the humiliating? Done as it was in this case in the shade of the American flag, it thereby demeans that flag.

I would like to end with a short history lesson for Mrs. Hall. The people who, centuries ago, founded the country which subsequently became a superpower—the United States—were just as poor as most of today's Russians. They were badly dressed and often had no manners. Nonetheless, they taught themselves to build a great country. As far as Russia is concerned, it too has good lessons of its own—for instance, the old Russian aristocracy used to consider it bad form to pride yourself on the fact that God had given you and not others the good fortune of being born into wealth and prosperity.

Indian Ambassador Outlines Trade Prospects

MM1807113594 Moscow PRAVDA in Russian 15 Jul 94 p 3

[Report by Galina Bilyalitdinova: "How to Do Business with India? Concerning the First Exclusive Exhibition in Russia"]

[Text] "The exhibition-cum-fair will be an unusual one," Indian Ambassador to Russia Mr Ronen [name as published] Sen said at a press conference. "We are offering nontraditional goods; from motor vehicles, agricultural equipment, and computers to the latest technology. And this is the result of the fruitful visit by Indian Prime Minister Mr Narasimha Rao, during which agreements were signed containing new substance relating to trade and economic relations.

"The products of over 100 firms, corporations, and enterprises are already on the way to Moscow. At this fair we want to organize a real festival for Muscovites—from a cultural program to the tasting of India's national cuisine. We were planning to hire 2,000 square meters of space for the event, but 4,000 proved to be too little.

"We make no secret," the ambassador continued, "of the fact that we want to feel at home in the Russian market. To that end we have devised a specific program for reaching the provincial market. The contracts that have already been signed in Samara, Nizhniy Novgorod, and other cities show that we have taken the correct path.

"We will be holding a seminar on 19 July in the first pavilion at the former Exhibition of National Economic Achievements, where our festival starts on 18 July. The seminar is entitled 'How to Do Business with India?' and it is about the creation of joint ventures. At it experts will talk about our legislation and the advantages of trade and the organization of relations as partners.

"We are not bothered about immediate benefits," Mr Sen said in conclusion. "We are interested in the long term."

Kazimirov: Russian Role in Karabakh 'Belittled' in Europe

LD1507122394 Moscow ITAR-TASS in English 1133 GMT 15 Jul 94

[By ITAR-TASS correspondent Nikolay Vukolov]

[Text] Stockholm July 15 TASS—The Russian envoy to Nagorno- Karabakh is sure that the Russian peace plan for the war-torn Armenian enclave in Azerbaijan has no alternatives and fears that the Conference for Security and Cooperation in Europe (CSCE) is praised too much for its peace-keeping efforts in Karabakh while the Russian role is being belittled.

"At certain international forums in Europe we have been encountering of late attempts to belittle the Russian mediation, hypertrophied dithyrambs to the CSCE Minsk group in the contest of contrapposition to the Russian efforts," Vladimir Kazimirov, who held talks in Stockholm with Jan Eliasson, the chairman of the CSCE Minsk group of countries for Nagorno-Karabakh, told TASS.

"It would be naive to believe that the real place of the Minsk group in the setlement will be ensured by such invocations or resolutions and not acquired by practical deeds," he added.

Russia stands for "constructive intearction" with the international community in solving the Karabakh crisis, mostly with the CIS countries and members of the CSCE Minsk group, Kazimirov said and stressed that in order to ensure such a cooperation "our partners should drop signs of mistrust and bias against Russian practical steps, support without any tricks the Russian draft political ceasefire agreement for Nagorno-Karabakh and around it."

The nine neutral states of the Minsk group held consultations in Vienna recently where they exchanged opinions about the Russian draft agreement which they call the "unified peace plan." Kazimirov specified that the Russian draft remains the basis of the plan and the talk is only about certain amendments and additions.

"At present there is no alternative to the Russian draft agreement on ending the armed conflict. This concerns the concreteness of issues examined with Russian mediation with the conflicting sides, the balance and realism of proposals," the envoy stressed.

Russian mediation has already ensured a two-month long ceasefire in Karabakh and conditions are favourable for a breakthrough to a peaceful settlement of the conflict. The draft agreement envisages to ensure a stable ceasefire "by various military-technical means" at the first stage and the withdrawal of Armenian forces from Azerbaijani territories at the second one accompanied by an exchange of POWs and hostages, return of refugees. The legal status of Karabakh is to be determined later on a mutually acceptable basis. Russia proposes to disengage the warring sides by 5-10 kilometres and set up 50 observation posts in the buffer zone. International security forces and CSCE observers may participate in the peace- keeping operation.

Azerbaijan, however, insists that Armenian troops be withdrawn from its territories simultaneously with the ceasefire.

Political Issues

Yeltsin Still Absent From Kremlin Due to Cold

LD1807084294 Moscow ITAR-TASS in English 0817 GMT 18 Jul 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow July 18 TASS— The Russian president still has a cold and therefore has not yet returned to his Kremlin office. He works in his countryside residence, spokesman Vyacheslav Kostikov told TASS on Monday.

He said the cold did not affect in anyway the plans of the president, including his trips across the country. Boris Yeltsin intends to return to his Kremlin office soon, the spokesman added.

The cold did not allow Yeltsin to participate in a major government meeting which discussed economic reform in the first half of 1994 on Friday.

Yeltsin on 'Way To Recovery'

LD1807111394 Moscow INTERFAX in English 1048 GMT 18 Jul 94

[Text] The Russian president's press service told INTERFAX that Boris Yeltsin was planning to resume work after he had caught a cold. On Monday Yeltsin will work a normal schedule in one of his suburban residences.

INTERFAX was also told that Yeltsin was on the way to recovery and that doctors had recommended that he complete his course of treatment in the countryside.

The press service stated that the president's working program for the next week would be carried out according to schedule. It includes work on documents, meetings and taking part in the opening of the Goodwill Games in St. Petersburg.

Next week Yeltsin is likely to make a trip to Eastern Siberia.

Local Chiefs To Meet Government Every Month

LD1507130694 Moscow ITAR-TASS in English 1221 GMT 15 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow July 15 TASS—Russian President Boris Yeltsin has decided to meet the heads of the republics and governors of Russian regions once every month to discuss the pressing problems of Russian economic restructuring. The government will hold similar regular meetings with the heads of local administration, Prime Minister Viktor Chernomyrdin announced in his closing remarks at today's government gathering in the Kremlin.

The prime minister made this announcement after denying that his report at the meeting was "amiable in character" and failed to reflect all the problems of the economic situation in the country as some speakers averred. "We meet here exactly for the purpose to discuss the key issues of our current life," Chernomyrdin stressed.

In his closing remarks Chernomyrdin dwelled on "a question of absolute importance to all regions of Russia - the situation in the defence sector". The reduction of federal budget funding of the manufacturing of a necessary arms is an extremely painful process for these enterprises, the prime minister said. But the government cannot permit the swelling of the budget in order to support the military industrial complex, which accounts for more than one-half of all industrial production in some regions, Chernomyrdin said.

Forty trillion roubles from the federal budget assigned to meet the needs of the military industrial complex is the maximum it will get, Chernomyrdin said. He added that "we will support restructuring of the military factories, but only where the country needs it and where we can expect good effects".

Russian Democratic Party Not To Join Rutskoy Group

LD1607135194 Moscow INTERFAX in English 1221 GMT 16 Jul 94

[Text] Russia's Democratic Party, led by Nikolay Travkin, has never belonged to a movement called Concord for the Sake of Russia, nor is it going to join it.

A statement released by the party's Political Council claims that the movement is unacceptable for RDP in its political goals, means to achieve them, and its makeup.

Among those who signed the declaration of intent to form such an opposition movement is ex vice-president Aleksandr Rutskoy, former constitutional court chairman Valeriy Zorkin, the Communist Party leader Gennadiy Zyuganov, the Agrarian Party leader Mikhail Lapshin, both Duma members, and the editor-in-chief of the newspaper Zavtra Aleksandr Prokhanov.

As the statement notes, members of the RDP faction in the Duma Stanislav Govorukhin and Sergey Glazyev who signed the declaration, "are not party members and cannot represent RDP in that movement."

The statement dismisses as totally absurd attempts by some anti-democrats to identify RDP with "tough opposition" because of its faction's vote in support of the inclusion into the Duma session's agenda of the issue on trust in the cabinet. "Neither the political council, nor the faction or the RDP National Committee have ever taken a decision on nonconfidence in the government," the document says.

The RDP faction in the Duma comprises 15 deputies. Apart from Govorukhin and Glazyev, the deputy Oleg Bogomolov is not an RDP member, too. The leader of the party and its parliamentary faction Nikolay Travkin is a member of the Russian cabinet (a minister without portfolio - IF).

Government Sets Economic Policy Guidelines

LD1507142094 Moscow INTERFAX in English 1252 GMT 15 Jul 94

[Text] Russia's government believes that its main social and economic tasks for the next six months of the year is to stabilize the economy by preventing further production decline, keeping the budget in balance, and retaining a fairly tough fiscal policy.

These tasks were outlined in a cabinet decision "On the Results of Russia's Social and Economic Development in the First Half of 1994 and Short-term Objectives." It was adopted in principal at the end of an enlarged cabinet session on Friday, the document is to be elaborated on and submitted for final approval in ten days.

In his closing remarks Premier Chernomyrdin noted that virtually all speakers had focussed on the problems facing the military-industrial complex. For this reason, he specifically stressed that the industry had been manufacturing many things that are not needed by the country. "Who are we going to fight, and where can be utilize all this," he asked.

Chernomyrdin proposed that regional administrators and military plant managers step up efforts to convert local defense plants to civilian productions. He called for reducing the budget deficit by cutting the huge defense bill, which he estimated at 60 trillion rubles.

He admitted that converting the industry to civilian production would be a difficult and rather painful process. However, if it is not done this year, the situation in the industry will worsen in the future.

He categorically disagreed with those speakers who accused him of total complacency and neglect in regards to the country's problems.

Answering deputies requests to let them speak at the enlarged meeting, he promised to scrutinize all their proposals and meet with them shortly.

He also reported that President Yeltsin had decided to meet with republican leaders and federal governors once a month.

Economic Issues

Yeltsin Plans Call for Economic Stabilization

LD1507154994 Moscow ITAR-TASS in English 1448 GMT 15 Jul 94

[By ITAR-TASS correspondents Gennadiy Yezhov, Anna Melnikova]

[Text] Moscow July 15 TASS—Russian President Boris Yeltsin who did not take part in the cabinet meeting on Friday because of a cold had intended to suggest that the cabinet of ministers consider stabilisation of the economy in a comprehensive way, Aleksandr Livchits, presidential assistant for economic affairs, told ITAR-TASS.

He said Boris Yeltsin also planned to discuss at the cabinet meeting questions connected with the implementation of the presidential message and of a number of the recently issued economic decrees.

Livchits said that prospects for the economic reform in Russia in 1995, specifically the process of privatisation, tax reform, wholesale trade and special mechanisms of conversion could be debated.

The presidential assistant believes that the exchange of opinion at the cabinet meeting on Friday was effective. "We have been able to achieve consistent lowering of inflation, so price cuts can be expected by the end of the year", Livchits said.

Chernormydin Outlines New Economic Legislation

LD1607161094 Moscow INTERFAX in English 1533 GMT 16 Jul 94

[Text] In an exclusive interview with Vyacheslav Terekhov of INTERFAX, Russian Prime Minister Viktor Chernomyrdin said Saturday that his Cabinet was working on a fourth package of economic legislation. He said the package would be "very big".

According to Chernomyrdin, the new legislation would deal with the problems of tariffs, price-fixing, power production, transportation and the Russian Far East. President Yeltsin, who is to sign the new bills, would also be sure to update the taxation system, Chernomyrdin said.

Chernomyrdin failed to specify when the new legislation would be ready for signing. He said, though, that before next September the government would be expected to come out with specific proposals in a bid to update the country's taxation system. By September, he said, the government would be expected to know which taxes were to be lowered and which - reintroduced.

Instead of hindering it, Chernomyrdin said, taxes ought to encourage economic advance. Russia need not shun the lever of taxation because, he said, the experience of other countries, for example Singapore, Taiwan and others, showed that the economy would come to only if the producer and the entrepreneur made no attempt to evade taxation.

Chernomyrdin was confident no one would move to violate the existing legislation and evade taxation under what he described as a normal and civilized taxation system. No serious discussion of taxes was possible, he said, now that the Russian producer and the Russian entrepreneur faced the need to give away 90-plus percent of their profits in taxes. They could not help submitting false reports on their profits and evading taxes, Chernomyrdin said.

Chernomyrdin also said that the government would move to take control of the bonds and securities market which was as yet out of the tax inspector's reach.

Chernomyrdin Interviewed on Economy

LD1607201494 Moscow Ostankino Television First Channel Network in Russian 1740 GMT 16 Jul 94

[Interview with Prime Minister Viktor Chernomyrdin by observer Aleksanrd Shkirando in Moscow on 15 July—recorded]

[Text] [Shkirando] Viktor Stepanovich, an extended government meeting took place yesterday, which has set new priorities and goalposts. They are all described in these books, judging by their titles [video shows documents lying on table]. What is the real situation in the economy today, - especially in the context of the new stage of the reform that you often mention?

[Chernomyrdin] The sitting yesterday focussed first and foremost on the results of the social and economic development of Russia in the first six months. What could I single out as the most important accomplishment and objective? First of all, there is not much to write home about, as they say, - we have so many problems, and we are aware of them, we live with them, and our people, many of our workers feel their burden. What has been done? Not only in the last six months, but on the whole - in these two and a half years. I would like to say that ...

[Shkirando, interrupting] Not just two and a half years, but two and a half years of the reform.

[Chernomyrdin] Yes, I think these two and a half years...[pauses] history will value these years which we are living through now, maybe it will even count every one of these years as worth two, maybe more. What have we received, what have we accomplished during this time?

The rate of fall of production has decreased, especially in the last six months. This rate has decreased every month. I mentioned in my report that in fact in June this rate was almost at the zero level - and this is true.

The rate of inflation has fallen too in fact - while at the end of 1993, and especially in the beginning of 1994, in January it was over 25 percent monthly, now we are down to around five percent. Take June for example - it was about five percent. I will be talking more about these figures - this is what we had planned in our program, and in the president's address to the Federal Assembly, that the level of inflation must be sustained at five to seven percent, and then be brought down to three to five percent per month. This is an achievement of sorts.

We have achieved substantial results in the foreign economic sphere. We have a healthy, positive trade balance this year. The Naples meeting of the G-7, the G-8 as a matter of fact with Russia's participation, also gives us optimism.

[Shkirando] So can one say that you are satisfied with the first stage of the reform?

[Chernomyrdin] One can say that there is some satisfaction, but we still have too many problems which must be resolved. No problems will be resolved without our financial recovery. When we talk about stabilization, it is, first and foremost, financial stabilization - when one does not want to toss away one's rubles, does not want to throw them away; when there is no panic buying, when the ruble starts to function normally, when it earns at least some respect. This is a great economic step forward.

Today we will not achieve any macro-economic stabilization without supporting industry, the enterprises. I do not mean supporting them across the board - I mean the industries which should be achieving our main objectives - new technologies, cutting-edge equipment, - we need industry which will make competitive, products in demand in the required quantities. This is the most serious issue today.

We should close down useless enterprises, we should scrap obsolete technologies, technologies which are heavy on resources - we are wasting enormous amounts of energy resources, human resources and finances on something we do not need any more.

Today objective conditions begin to exist which will allow us to bring the reform straight into production, at the level of the enterprise and to unfold it toward the interests of our producers, our entrepreneurs and private investors. We must create conditions for investment. Let me emphasize - our investors. We will of course attract and create environment for foreign investors - this is also important for us; we will not shun them, we can work together with foreign capitals, we have projects which we will not be able to touch on our own in the next fifty years - why should we be sitting there waiting, holding on to them? They should be working today - and that's where we will attract foreign investors. But conditions should be created first - and this is what we will be working on now.

[Shkirando] Viktor Stepanovich, many are now aware of reforms in the economy. But how do they benefit agriculture? We are used to fighting for the harvest, so to say, all these years. Should we expect another battle for the harvest this year?

[Chernomyrdin] Let me be direct - there will be no battles. We have moved away from battles. There was no battle during the sowing campaign. This brings me satisfaction to a certain degree, and not to me alone. The sowing happened - with no battle and no hassle. We have done the sowing - and not a bad job we did of it too. To cite one figure only - this year we have sown on 1.5

million hectares more than last year. Not everything had gone well with winter crops, many of them perished and had to be sown again, there was this problem. But on the whole, the organization of the work was good, in spite of all predictions that we would fail. This is not easy of course, but agricultural workers are doing their job.

[Shkirando] Can you guarantee this grain independence, as you called it yesterday?

[Chernomyrdin] I said this last year, and this year I hope too. I an somewhat superstitious in these matters, and I would not like right now ... [pauses] we do expect good crops this year, but one does not count crops while they are still growing in the fields, one counts what is in granaries. A lot of work is to be done to organize harvesting. We are bracing up for it today; the government will come back to it, do some work, have hearings, and implement certain steps.

Virtually in the last week, we have transferred some funds - 1.5 trillion - and we will soon transfer more for the harvesting campaign. We are doing it now because of the mistake that had been made last year and the year before last, so that these funds arrive not after the harvesting, but now for our farmers to use. The harvesting has begun, as a matter of fact. The South: Stavropol Kray, Krasnodar Kray, and Rostov oblast have in fact started harvesting in a big way. That is why we must do everything in time now.

Lots of problems are remaining in the agriculture. farmers do not have an easy life. Financing, buying and servicing equipment - this is not easy in the agriculture; monopolists are virtually holding farmers hostage - we got rid of one group of monopolists, but we have created a new group, more ruthless, I can say frankly. Especially in what concerns processing. The producer, the farmer, is having it very tough now. I would like to wish our farmers to hold on, first, and to finish harvesting well. And for our part, we will make sure everything is running more or less smoothly. But let me say again, that there are still many problems remaining.

[Shkirando] On 8 July the president signed a third package of decrees. Unfortunately, little is known about them so far. Could you please comment in brief on the content of these decrees.

[Chernomyrdin] We have resorted to issuing decrees simply because life now dictates a different tempo. Many questions have to be solved more speedily now. Today I can say bluntly that the Federal Assembly is now working, it is gathering pace, laws are being adopted. But life dictates the need for speedier solutions to many issues. Therefore we have now resorted to edicts. Edicts are precisely what we need. We are preparing these edicts. There is a lot of talk, people keep asking why it is the president, do we really need ? I believe that we do. Because in each edict you will see that the last entry says the edict loses force as soon as a relevant law appears. In effect each edict corresponds in one or another of its parts with one or another draft law, either already submitted by the government or about to be submitted, either already being discussed or about to be discussed by the State Duma and the Federation Council. But we need this to speed up the process. Even today, following our discussion yesterday, I can tell you this: I am convinced that there will be a fourth package some time soon.

[Shkirando] Do they all deal with the economy?

[Chernomyrdin] Primarily. Primarily with the economy. I'd like to say something else too. Our president is not a figurehead. He used to be a major figure in the economy, a manager. He knows a lot of things, a lot of problems, not by hearsay. Not just does he know them, he also knows and understands how to deal with them. These things today did not come into being by accident. Here, both the president's vision and his demands are on target. What we need now is a mechanism for these edicts, to make sure that they are implemented. Here the government has a singularly important role to play, since we are the executive, and it is up to us to implement all this. I mean myself, my government, heads of administrations, regional leaders - this is in effect one chain, those through whom we are implementing this, through whom we have to take it to its logical conclusion.

[Shkirando] Viktor Stepanovich, I would like to turn once again to reforms. It is understood that they are all directed toward the people, they are being implemented for the sake of the people. But one knows that people live in various regions of our vast country. Incidentally, it is known that at yesterday's sitting many regional representatives, regional leaders, criticized the government quite sharply. By the way, what is your attitude to dialogue between the centre and the regions?

[Chernomyrdin] I must say that I have always believed firmly that if we here at the federal level fence ourselves in and try to do everything for ourselves or by ourselves, we will hardly achieve anything. What we need is not just dialogue, but close cooperation.

[Shkirando] By the way, talking about mutual understanding. We know that there used to be certain problems in this respect. Has full understanding been reached now?

[Chernomyrdin] I cannot say that I can see any particular problems with any regions. There aren't any. We are working. True, we do not always succeed. Not everything is quite so simple nowadays. We dwelt on this in our discussion yesterday. A lot was said yesterday about the Far East. The people from the Far East were well represented at the rostrum yesterday. And I believe this is only right. Just you look and see. I can make a brief outline. What do transport charges or fuel prices mean for the Far Eastern region nowadays? In effect we are ourselves undermining, cutting off our own Far East in many ways. Of course, this must be changed. And just look how many questions were asked about the defence industries yesterday. It is now the most crucial issue. All we are saying, all the figures that have been cited, the rate of decline - all these are to a large extent connected with the defence sector. We must not blame anyone now, and in effect there is no one to blame. Those who are to blame died long ago. But it is up to us to find a way out of this situation. Who is to blame for the fact I have mentioned before - the fact that over 70 per cent of the defence sector of the former Soviet Union is situated in Russia? But these problems must be solved. One can procrastinate for a year, maybe for two years, although I doubt it, - but in the end someone has to solve this. I already cited these examples yesterday, and I can repeat now: many defense works are manufacturing more than we need even now. When I speak about this, I am not saying that we need not preserve our defense capabilities. Not just preserve them, but...

[Shkirando, interrupting] Within reasonable bounds.

[Chernomyrdin, resuming] ...but always keep them in top conditions. We have every opportunity for this. But we already have such a vast potential that we just do not need any more. So what do we do? Are those working at that enterprise to blame for this? Of course not. Even the manager - today we are making other demands on him. Today we ask for quicker conversion to civilian production. The latest edicts, the latest package that you have mentioned, they too deal with these matters. Talking about our mobilization resources and reserves - why do we need so much? Why don't we convert them into civilian production? We have to untie the hands of our enterprises, of their workforce and managers. This is what the presidential edict is aimed at - to untie the hands, first and foremost in the defense sector. Or take the two recent edicts on the construction of housing for those who are now returning from Germany, for our servicemen. Germany has earmarked funds for them. As for the demobilized, funds have been allocated by the USA. But we have imposed tax on these funds. Those who allocated these funds for our servicemen do nor understand this, and the servicemen won't understand it either. We've been given money, and we have gone and imposed tax on it, and have taken half of it - well not half, but some of it, into the budget. Was that the right thing to do? Of course not. So that is why the president is rectifying the situation, putting it right.

[Shkirando] Viktor Stepanovich, bearing in mind that we represent the Ostankino television company, and our programs, as you know, are watched outside Russia as well, I would like to ask you another question. I am sure that many millions of TV viewers will be interested to hear how you see the future of the former union republics. How do intend to develop your relations with Ukraine and Belarus, where new presidents have recently been elected?

[Chernomyrdin] Well, how do I see the future? We often meet and work within the framework of the CIS. I can say bluntly that a lot of good decisions have been taken, a lot of outline agreements have been adopted, such as the economic union. These documents in effect contain a lot of useful things. Now they have to be put into effect and implemented. I can openly say that I am in favour of a union, an economic union. A lot has been said.

[Shkirando] Particularly recently.

[Chernomyrdin] Yes, of late there has been an upsurge in calls for the restoration of the USSR, for returning to other things. I think this is futile, it is out of the question. We are already living in a world of independent states. These states have their own constitutions, they live in accordance with their own laws. So I think that for us, Russians, it is unrealistic and even inappropriate to draw up such schemes. All the more so, I repeat, when it comes to us, Russians - because we are often prompted and then told that we have imperial ambitions, that we want to have everything to ourselves again. This is not so. We want a union, but only on the economic basis. There are principles on which we can unite. We have solid technological ties - we must not sever them. On the contrary, we should strengthen and further them. There should be normal human relations, especially between our states. There are too many things that unite us. Here the position of the government, and, I know, the position of the president, as well as of many other presidents and heads of states, is precisely along these lines. Therefore I am glad that in Ukraine in particular, and in Belarus for that matter everything is in order, everything happened just as it should have. Here I do not want to pass judgement on anyone, you know. But we are all human beings, and we saw things happening before our eyes. I can only congratulate those who became presidents.

Yeltsin To Have Final Say on Privatization

LD1607161594 Moscow INTERFAX in English 1534 GMT 15 Jul 94

[Text] As before Russia's Vice Premier Anatoliy Chubays, Chairman of the State Property Committee, is convinced that after the State Duma refused to confirm the program of post-voucher privatization "Russian President Boris Yeltsin is to voice his final word on this issue," Chubays declared in his interview with INTERFAX Saturday.

Commenting position of several members of the parliament lower chamber, Chubays reproached the legislative body of its inability "to raise above political likings."

"The only thing which a real state body must do is to go out of the boundaries of political quarrels and to raise to the level of a compromise," Chubays believes. In his words, inability of the parliamentarians to adopt any decision on privatization demonstrates that "as a state law-making institution the Duma has still not left the declarative stage though it has all chances to do this."

Trade Restrictions Cost $2-4 Billion Each Year

LD1607154894 Moscow INTERFAX in English 1501 GMT 16 Jul 94

[Text] According to chairman Anatoliy Chubays of the Russian State Property Committee, western restrictions on the import of Russian-made goods cause Russia 2 to 4 billion dollar losses every year. Chubays hoped the international non-government commission Big Europe would work for the solution of that problem. The commission held session in St. Petersburg on Saturday.

Chubays told a reporter for Interfax that Moscow made no move to press its western partners for more credits and food loans. Instead, he said, it laid emphasis on the need for lifting the outdated restrictions on the sale of Russian aluminum and textiles on the western market.

Chubays described as short-sighted the US Senate's decision to link economic cooperation with Russia to the scheduled withdrawal of the Russian troops from the Baltic republics.

But, he said, delays in the solution of the withdrawal problem would hardly beneefit Russian-US relations.

The withdrawal of the Russian troops from the Baltic republics was more than a question of good will. In Chubays' view, it was a question of financial injections into the Russian social programs without the solution of which Russian army officers would have nowhere to live.

Shokhin Censures Government Performance

LD1507120994 Moscow INTERFAX in English 1017 GMT 15 Jul 94

[Text] Russia's Vice-Premier and Economics Minister Aleksandr Shokhin sees as unsatisfactory the government's action on President Yeltsin's address to the Federal Assembly and its own blueprint for more reform and economic stabilization.

Shokhin told the Cabinet in the Kremlin today that only 12 of the 53 documents drafted under its own plan for emergency action had been accepted. Shokhin lashed out most strongly against the Finance Ministry, the Ministry on the Affairs of the Federation and Ethnic Communities and the State Committee on Industrial Strategies. He described the situation as inadmissible.

The government, he said, was already making practical moves to build up discipline and hoped its efforts would tell favorably on the realization of its decisions.

Shokhin said the Cabinet had updated its 1994 plan of action on the Yeltsin address and its blueprint for more reform in 1995-1996. It was planning to come out with a draft concept of structural moves in the economy in 1995 and 1996. The government may be expected to produce next year's draft budget as early as mid-September.

Gap Between Rich, Poor Narrowing

LD1507201794 Moscow INTERFAX in English 1655 GNT 15 Jul 94

[Text] The income ratio between the richest 10 percent of Russian society and the poorest 10 percent was 7.3 in June 1994, compared to 8.3 a year ago and 4.5 in 1991, the Russian State Statistics Committee told INTERFAX.

In June 1994 the incomes of 13.5 percent of the population (20 million people) were below the poverty line, which has recently been estimated at around 84,100 rubles a month. However, according to the information collected in 1993 about 30 percent of Russians had wages lower than the poverty line.

Over this January-June the real incomes of the population were 10 percent more than during the same period last year. More people are now saving money.

In 1994 the Russian population spent 19 percent of their money on acquiring hard currency, shares and other financial assets compared to less than 14 percent in 1993 and 5.3 percent in 1992.

In June the average salary in Russia was about 200,000 rubles.

Pay Grievances Provoke Strikes in Industrial Sector

MM1507112194 Moscow PRAVDA in Russian 15 Jul 94 p 1

[Unattributed report: "Not a Day Goes By Without a Strike"]

[Text] Since the beginning of 1994 there have been strikes at 388 enterprises in Russia and over 130,000 people have participated in them. These data are cited in Russian Federation Labor Ministry materials prepared for an enlarged session of the Russian Government on the results of the country's socioeconomnic development in the first half of 1994.

The report points out that social tension has increased in the production sphere: Whereas in past years dissatisfaction with low pay and the delay in pay indexation prompted mainly people in the cultural, academic, educational, and medical spheres to strike, since the middle of last year there has been a sharp increase in the number of labor conflicts and strikes in industry. Since the beginning of the year over 100,000 working people in the sector have participated in them. This is nearly as many as in the whole of 1993.

Ministry experts say that the main causes of the strikes are delayed pay, the lack of indexation, and dissatisfaction with the amount of pay.

Fewer People Living Below Subsistence Level

LD1607140494 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 16 Jul 94

[From the "Vesti" newscast]

[Text] Here are the latest statistics on inflation and standards of living in the country. As Interfax learned at the Goskomstat [State Committee for Statistics], in the week of 6-12 July, prices of consumer goods have increased on average by one percent. Since the beginning of this year prices in the country have grown by 80 percent. In June 13.5 percent of the population—20 million—lived below subsistency level. To compare: in 1993 almost one in three Russians lived on an income below subsistency level.

Military Issues

Gromov Says Pacific Fleet Combat Ready Despite Cuts

LD1607131094 Moscow ITAR-TASS World Service in Russian 0413 GMT 16 Jul 94

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Vladivostok, 16 Jul—My visits to the Kamchatka naval flotilla and the military garrisons of Maritime Kray have convinced me yet again that in spite of the economic difficulties, the Pacific Fleet continues to be at a high level of combat readiness, Admiral Feliks Gromov, commander in chief of the Russian Navy told the ITAR-TASS correspondent at a news conference held for representatives of Maritime Kray's media. He stressed that although cuts are being made at present in the fleet's forces and resources, they are not being made by lowering the level of combat readiness: Vessels and property that are technically and physically obsolete and which require unnecessary and burdensome expenditure are being written off. If the number of personnel serving in the Navy is going to be about 270,000, they will do with honor what was previously done by a much larger number of servicemen.

Concerning the situation at the Zvezda works where nuclear submarines are repaired, the admiral assured journalists that he would make every effort to ensure that the workers' demands for their wages to be paid on time are satisfied.

The question of the removal of Admiral Georgiy Gurinov from his post in connection with the explosion at Novonezhino arsenal was also raised. Gromov said that in accordance with military regulations, every commander is responsible for the state of affairs in the area of responsibility entrusted to him. If a major mistake is made, responsibility must be borne for these shortcomings. The decision on what is to be Gurinov's fate, from a military point of view, will be taken after the handover to the fleet's new commander.

At the news conference, a number of important questions currently worrying those serving in the Pacific fleet were brought up. These included questions of housing, problems of conversion, and tasks connected with the financing of the fleet, which is owed at least 77 trillion rubles by the state.

Junior Officer Kills Internal Troops Commander

LD1607161894 Moscow INTERFAX in English 1501 GMT 16 Jul 94

[Text] The TV and radio company Kuzbas of the Kemerovo region of Siberia says that the commander of a division of internal troops Major-General Viktor Arkhipenko was gunned down in the Kemerovo region.

According to the Kuzbas company, a junior officer of the same division shot and killed Arkhipenko in the small hours of Friday. On Thursday Archipenko reprimanded the man. The officer took a gun, got into a car and forced the driver to take him away.

When he learnt about that, Arkhipenko followed the officer in a service car. And as he caught up with the officer, the officer fired seven point-blank shots which killed the general.

A legal investigation has opened into the case.

Federal Assembly

Anticorruption Bill Passes 2d Reading in Duma

LD1507220994 Moscow ITAR-TASS World Service in Russian 1445 GMT 15 Jul 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow, 15 Jul—A federal draft law "on combating corruption" passed its second reading in the State Duma today. The aim of the bill is to protect human rights, civil liberties, and public interests; ensure state security; and see that the branches of power and the administrative bodies function in accordance with the Russian Constitution and Russian laws by forestalling, exposing, and stopping breaches of the law connected with corruption and eliminating their consequences and punishing the culprits.

According to Viktor Ilyukhin, chairman of the Duma's security committee, who presented the document, the bill had been considerably altered before its second reading. He noted that it takes into account practically all amendments of a fundamental nature, which had been proposed by the Russian president, the Russian Government, and Duma deputies. They apply to those clauses in the bill that during its first reading evoked the liveliest debate. The clauses are to a considerable extent connected with the list of persons to whom corruption offenses apply. The view of the authors of the amendments was that the list included an unjustifiably wide range of persons subject to criminal and administrative proceedings for corruption offences.

Now, Viktor Ilyukhin emphasized, the list is limited to just persons holding positions in state bodies of authority and administration. So the list now excludes the employees of enterprises, establishments, educational and medical institutions, as well as employees of banks, other credit and finance institutions, enterprises and organizations, and transport and communications not owned by the state.

Duma Rejects Amended Draft Election Law

MK1507094094 Moscow NEZAVISIMAYA GAZETA in Russian 15 Jul 94 p 3

[Report by Indira Dunayeva under the "NEGA Reports" rubric: "Russia"]

[Text] Yesterday the State Duma rejected for the third time the draft Law on the Basic Guarantees of Citizens' Electoral Rights despite a number of amendments that had been made to it, including amendments on the procedure for forming the Central Electoral Commission (under the draft, its chief will be elected by commission members), on minimizing the possibility of rigging election results, and so forth. The "Yabloko" faction put forward a package of its draft laws that call for a better conceived procedure for forming the Central Electoral Commission and extending the term of office for electoral commission members with voice but no vote until the registration of candidates is complete—not until elections are called—because it is precisely at this period that districts are carved up and other important decisions made; it also proposes that the ban on multi-seat districts be applied only to elections held according to a majority system. It also calls for decisive measures to rule out the possibility of misusing office by civil servants and other officials in order to influence the vote. Although no debate on the draft was held, the deputies' views were expressed in the form of questions to the speaker, Vladimir Ryzhkov, member of the Federation and Regional Policy Affairs Committee. Some deputies believed that the law should clearly stipulate that parties have the right to take part in forming the Central Electoral Commission. Communist Oleg Mironov thinks that the Central Electoral Commission should not operate as a standing body, because otherwise it will turn into an election ministry. The deputies supported neither the draft submitted by the committee (with 220 "Yes" votes, 39 "No" votes, and 7 abstentions), nor the draft decree that included the "Yabloko" bloc's amendment (with 127 "Yes" votes, 163 "No" votes, and 5 abstentions). Now, to all appearances, local elections in the fall will be held on the basis of electoral statutes to be issued by local administration chiefs, which, as practice has shown, often gives rise to misuses during the election campaign.

Parliament Signs Accord With Regional Associations

MK1507122094 Moscow SEGODNYA in Russian 15 Jul 94 p 2

[Report by Yelena Tregubova under the "Federalists" rubric: "Parliament Promises Special Power for 'Interregionals'. Leaders of the Associations Believe They Are 'The Only Real Power'"]

[Text] The leaders of both chambers signed in the Federation Council yesterday a "Cooperation Agreement" with leaders of the interregional associations "Central Russia," "Northeast," "Chernozemye," "Siberian Accord," and "Greater Volga," among others. The leaders of associations, claiming for themselves a "broker role" between the center and the regions, managed to secure from the Federation Council and the State Duma the following declaration: "The consideration in the chambers of the Russian Federation Federal Assembly of draft laws regulating the development of the regions shall take place only upon securing preliminary resolutions from the interregional associations." Besides, the "Cooperation Agreement" grants the interregional associations the right to exercise a certain degree of control over the implementation of the Federation Treaty. Declared also is the right of the interregional associations to participation in "working out development strategies for leading sectors of the national economy."

The leaders of the parliament's chambers promised that sectoral programs will be "integrated" with interregional programs. As for interregional programs drawn up by the associations, they shall be confirmed at the federal level and included in federal programs "following a certain procedure." The interregional associations were promised to be granted in the future the status of "state agents" charged with the implementation of state programs in the regions, in particular programs of structural adjustment of the economy.

In the agreement, the lawmakers express their readiness to pass in the immediate future a law delimiting the powers between the center and the federation components. Named among the priority laws is the law on determining the proportion of state financial resources to be reserved for Moscow and the regional authorities. The State Duma and the Federation Council speakers agree in this document with the fact that the interregional associations may in time be granted the right of "obligatory consideration of draft laws on federal budget and taxes." They think it is possible to start drawing up the 1995 budget "by working out the regions' proposals within the framework of interregional associations." Besides, the creation of a standing conference on the budget and tax policy with the participation of the State Duma, Federation Council, and the leaders of the interregional associations is not ruled out.

The fact that having been named as participants in this—yet hypothetical—"budget roundtable" are not leaders of all the regions but only leaders of the interregional associations is quite in line with a joke Federation Council Speaker Vladimir Shumeyko once let fall at a meeting with "interregionals." "I do not rule out," Mr. Shumeyko said, "that some time from now we will be solving all the problems not with the 89 regions but with eight integrated components, and this will strengthen the Federation and the federal organs of power."

The leaders of the associations have not reacted to this joke in any way yet. More popular among the leaders of the interregional associations is the contention: "The associations are the only structure in the land with real power today." Mr. Shumeyko, for his part, treats such a contention with irony. The upper chamber speaker is convinced the associations "will never be able to supplement today's federal authority" and the center will be able, "using the interregional associations' structures," to reform the state's federal system.

Duma Fails To Adopt Privatization Program

MM1507120994 Moscow IZVESTIYA in Russian 15 Jul 94 p 1

[Report by Sergey Chugayev: "Government Privatization Program Falls Victim to Political Intrigue"]

[Text] State Duma deputies set the latest record for inefficiency at their 13 July plenary session. After deciding to examine, to the detriment of other draft laws, the program submitted by the government for the second phase of privatization and to see the process to a victorious conclusion and after spending a whole day on the debate, Duma members ultimately failed to achieve a result. Officially the program was not adopted and was not rejected. It has been sent to parliamentary committees for coordination. Although the program has essentially been rejected.

The fact that the discussion of the program would not be calm was in no doubt. Just as its chief opponents were well known in advance. Over the past few weeks with enviable regularity representatives of the Liberal-Democratic Party of Russia and Communist factions have, first, demanded a report by A. Chubays on the results of check privatization, then called for the privatization process to be suspended, and then put forward their own programs.

It came as no surprise that emotions and political declarations prevailed during the speeches and answers to questions and there were very few sensible proposals made on a professional level.

Nevertheless the course of the debates made it possible to reveal the three main positions espoused by Duma deputies on the government program. A considerable proportion of them were frankly interested in rejecting the program come what may. Typically the interests of both right-wing and left-wing radicals were united on this. The former thought that the failure of the program in the Duma would force the president to introduce it by edict, which would make it possible to implement it in its initially "unadulterated" form. Without any amendments from deputies. The latter were quite aware that, were the program not to become law, it would be formalized by presidential edict. But they are counting on casting doubt—albeit in the indefinite future—on the legitimacy of a privatization with no basis in law and reversing the situation.

The stance espoused by the Committee on Privatization, which suggested giving the program to a first reading and then working on it calmly in Duma committees, making amendments to it, seemed the most sensible given the current alignment of political forces in the Duma. Needless to say, that stance did not suit the Duma radicals and those who supported the committee's opinion found themselves in the minority.

But the most curious thing is that left-wing radicals could not see their good fortune when Deputy S. Glazyev outlined his position: Namely that the program should be given a first reading, but should be accompanied without fail by amendments from the three Duma committees, including that led by Deputy Glazyev [the Committee for Economic Policy]. That is there was an opportunity to bring about their mandatory inclusion in the program without detailed discussion since the amendments were only handed to deputies on the day of the session. That stance was, I think, the most dangerous for A. Chubays' team. In that case the grounds for an appeal to the president asking for the program to be enacted by edict would have been lost since the Duma had pro forma adopted the program. At the same time the crux of the amendments proposed by S. Glazyev virtually annihilated A. Chubays' program since they envisage transferring the privatization process to Duma control, for which it is proposed to form another organ to take charge of privatization under the jurisdiction of the Duma.

However, deputies preferred not to adopt the program in any form. Which gives us grounds to speak of a victory for A. Chubays. Since there are few doubts that the program for the second phase of privatization will be enacted by presidential edict. And it is not a question of wiliness on the part of the executive. It is hard to disagree with the view voiced by S. Burkov, chairman of the Duma Privatization Committee, to the effect that the process of privatization, which has already affected millions of our fellow citizens, cannot be halted. Anyone who tries to do so will end up on the political sidelines. And if that is what the Duma has chosen to do, there is by no means any need for the president to follow suit.

Duma Sets Up Commission To Oversee Federal Finances

LD1507201994 Moscow ITAR-TASS World Service in Russian 1057 GMT 15 Jul 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow, 15 Jun—The Law "On the Chamber of Accounts of the Russian Federation" was passed at its first reading by the State Duma today.

The Russian Federation Chamber of Accounts is to be the supreme and standing body for state financial supervision, and will be answerable to the Russian Federal Assembly. It will exercise parliamentary supervision of the Russian Federation's finance and budget activity from the standpoint of legality, economic viability, and rationality. The Chamber will oversee implementation of the federal budget, including the extent of Russia's domestic and external debt, use of loan resources by federal extrabudgetary funds, use of federal state property, and the banking system. The Chamber of Accounts' supervisory powers shall be exercised over all state bodies and Russian Federation organizations, establishments, and enterprises under all forms of ownership.

The powers of the Chamber of Accounts will enable it to become an effective channel for the Russian Federation Federal Assembly to oversee both the income and expenditure sides of the federal budget.

Federation Council Approves Constitutional Court Law

MM1807092194 Moscow IZVESTIYA in Russian 14 Jul 94 p 4

[Report by Leonid Nikitinskiy: "Rebirth of Constitutional Court: Infant Will Be on Its Feet by End of Year"]

[Text] The Federation Council has approved by 146 votes to one, with four abstentions, the Law on the Constitutional Court previously passed by the State Duma. It is the first proper codified law to pass through both chambers of the Federal Assembly, and the final full stop has been placed on it today: Unlike ordinary laws, the right of presidential veto does not apply to constitutional laws adopted with a qualified majority [kvalifitsirovannyy kvorum].

We still do not have an electronic printout of the roll-call vote, but we can safely assume that the sole vote cast against the draft law belonged to Yelena Mizulina, the lawyer from Yaroslavl, whose amendments had earlier been discounted on grounds of late submission. Opposing the adoption of the law, Mizulina pointed out that it will be extremely difficult to make any subsequent changes to it: The Law on the Constitutional Court, prepared by members of the Constitutional Court, will remain the sole law which can never be contested in the Constitutional Court. That could put the Constitutional Court in a position where no political force will be able to control it and it will create a certain distortion in the system of the separation of powers.

Mizulina's arguments in favor of not rushing to adopt the Law on the Constitutional Court contain, in our view, a certain, albeit not incontrovertible, logic. However, as regards the specific amendments to the draft law proposed by her, they were all technical in nature—either they were at odds with the Constitution, like the demand that all constitutional judges be reelected, or they led "back" to the politicization of the Constitutional Court, like the proposal that the chairman of the Constitutional Court be elected not by the college of judges but by the Federation Council on the president's recommendation.

The reasoning of this sole open opponent of the Law on the Constitutional Court was countered by arguments that were most clearly formulated in the speech of one deputy who said "Better an imperfect law than perfect anarchy." Even such a well-known member of the opposition as the Kemerovo deputy Amangeldy Tuleyev spoke in favor of the earliest possible revival of the Constitutional Court after making certain personal observations.

The results of the vote should show whether Mizulina's belated sally was a personal initiative made on purely legal grounds, whether this was supported by some kind of political forces, or whether it was a more complex maneuver designed to further "freeze" the Constitutional Court's activity. It should be noted that, because of the absence in the Constitution of any references whatsoever to conciliation procedure between the two chambers, during the passage of constitutional laws the process of adopting the Law on the Constitutional Court might have turned into an endless game of political ping-pong had the Federation Council, without rejecting as a whole the draft approved by the Duma, started making amendments to it which demanded in turn new approval in the parallel chamber.

Fortunately, the Law on the Constitutional Court successfully navigated those reefs, although a certain political factor inadvertently played its role in the happy outcome. Clearly, a crucial contribution to the Law on the Constitutional Court mustering the necessary two-thirds of the votes in the State Duma and the three-quarters of the votes required in the Federation Council was played by President Yeltsin himself who, by a series of edicts, particularly the Edict "On Protecting the Population against Gangsterism..." of 14 June, demonstrated to both chambers of the Federal Assembly that parliament was incapable of really competing against the president in either the legal or political area without the buttress of the Constitutional Court.

With the adoption of the Law on the Constitutional Court the situation could change. However, the procedure for the confirmation by the Federation Council, on the recommendation of the president, of nominations for the six vacant positions of judges, which could be drawn out as result of political haggling, lies ahead. The acting chairman of the Constitutional Court, Nikolay Vitruk, considers that it will not be possible to hold the first real session of the court before October. Certain other judges are of the opinion that a session of the 13 "mothballed" judges is also valid and that the Constitutional Court could thus, without waiting for cooptions to bring it up to full strength, resume the examination of petitions received by the Constitutional Court prior to last October's events by the end of August, beginning of September.

Duma Reports Situation at Baykonur 'Critical'

MM1807102794 Moscow Russian Television Network in Russian 0300 GMT 14 Jul 94

[From the "Vesti" newscast: Video report by Ye. Lyapunova and A. Kasimovich]

[Text] On Wednesday [13 July], in the State Duma, a working group from the Committee for Industry, Construction, Transport, and Energy summed up the results of its trip to Baykonur. The situation at the space center in the city of Leninsk was described as critical. Tremendous efforts are being made to keep the unique equipment in good working order and to retain the services of experts, but the city of Leninsk is on the brink of a social explosion. Kindergartens and schools have been closed down, and apartments are being willfully occupied in this city of dual authority—there are two prosecutor's offices and two militia services, one Kazakhstani and one Russian.

According to the director of the Russian Space Agency, Russia has no equivalent replacement for Baykonur. Leaving the space center now will mean that our country will not take part in space programs for the next 10-15 years, it will be deprived of an important means of communication and telecommunications, and it will be outcast from the ranks of space powers for a long time, if not forever. Likewise, at least 300 billion rubles will be needed to construct a space center like Baykonur. This kind of money is simply not available as yet. Just as there is not enough money for the current day-to-day running costs of Baykonur. Deputies are pressing for the speedy ratification by the Russian and Kazakhstani parliaments of the agreement on leasing the space center, which was signed several months ago but which has not come into force to this day.

Regional Affairs

No. Ossetia, Ingushetia Refute Reports on Refugees

LD1607131294 Moscow ITAR-TASS in English 1128 GMT 16 Jul 94

[Text] Moscow July 16 TASS—The press centre of the provisional administration on part of the territory of North Ossetia and Ingushetia has refuted reports, which appeared in the press today, saying that the return of Ingush refugees to places of their original settlement is expected to begin on July 16. The planned return of the refugees was announced earlier by the permanent mission of the Republic of Ingushetia at the administration of the Russian president.

The press centre of the provisional administration described those reports as "being at variance with the real situation" and stated that "the resettlement of refugees and forced settlers will be held in full conformity with the agreement, signed on June 26, this year, in Beslan by presidents of the two republics and the head of the provisional administration."

Talks on Return of No. Ossetian Refugees Held

LD1707184494 Moscow ITAR-TASS World Service in Russian 1244 GMT 17 Jul 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 17 Jun—Military sources report that the situation in the area of North Ossetia under the state of emergency until 31 July has been relatively stable today. No interethnic conflicts have been registered there. Nevertheless, the republican parliament decided at its session to ask the Russian president and the Federal Assembly of Russia to extend the state of emergency for another two months.

Yuriy Biragov, the chairman of the North Ossetian Supreme Soviet, and members of the republican government today met Vladimir Lozovoy, the head of the interim administration. They discussed stabilization in the armed conflict zone and a comprehensive solution to the refugee problem.

Some mass media bodies have reported, citing Ingushetia's permanent representatives under the Russian president and the interim administration, that as of 16 July Ingushi refugees began to return to the villages of Chermen, Dongaron, Dachnoye, and Kurtat of North Ossetia's Prigorodnyy Rayon.

Georgiy Dzhigkayev, the deputy chairman of the republican government, today told ITAR-TASS that this information does not correspond to reality. A schedule for the return of refugees does not exist, it is currently being drawn up. The financing of the rebuilding work in the conflict zone is extremely unsatisfactory. The federal bodies, Dzhigkayev said, should create material and financial conditions for the return of refugees.

The Ossetian side, the deputy chairman said, does not accept the use of force in resolving the issue of the return of refugees to Prigorodnyy Rayon. This issue should not be forced, he believes. Conciliatory commissions that were set up in all the settlements of the rayon should play a major role in resolving this complex problem.

Situation Remains 'Stable' in No. Ossetia

LD1707130194 Moscow ITAR-TASS in English 1234 GMT 17 Jul 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz July 17 TASS—The situation in parts of North Ossetia where the state of emergency has been extended until July 31 remains relatively stable, military sources said on Sunday.

No ethnic clashes have been reported there in the past 24 hours.

At the same time, the North Ossetian parliament has decided to appeal to President Akhsarbek Galazov to extend the state of emergency for another two months.

Parliament chairman Yuriy Biragov and members of the government met with head of the temporary administration Vladimir Lozovoy earlier today to discuss ways to stabilise the situation and solve the problem of refugees.

Some mass media have quoted the Ingush mission under the Russian president and the temporary administration as saying that the first refugees will begin returning to the villages of Chermen, Dongaron, Dachnoye and Kurtat in the Prigorod district of North Ossetia on July 16.

However, North Ossetian Vice-Prime Minister Georgiy Dzhigkayev denied these reports. He told ITAR-TASS that no such timetable exists, adding that it is just being worked out. He complained about the inadequate financing of restoration work in the republic and urged the federal authorities to provide the necessary material and financial support to facilitate the return of refugees.

The Ossetian side, Dzhigkayev continued, condemns coercive methods in dealing with the problem of refugees. He warned against rushing this process, adding that the reconciliatory commissions set up in all villages of the district will have to play a major role in it.

No. Ossetian Parliament Adopts New Constitution

LD1707143494 Moscow Mayak Radio Network in Russian 1400 GMT 17 Jul 94

[Text] The North Ossetian parliament has adopted the draft of a new republican constitution on the first reading. North Ossetia is declared a lawful democratic state inside Russia. The bill will be submitted for public debate in the near future.

Bashkiria's Prime Minister Tenders Resignation

LD1807105794 Moscow ITAR-TASS in English 0916 GMT 18 Jul 94

[Text] Ufa July 18 ITAR-TASS—The head of the Government of Bashkiria, a republic in the east of European Russia, Anatoliy Kopsov tendered his resignation today.

Kopsov said in a statement addressed to the president and the parliament chairman that his move was "dictated by the circumstances which do not let me perform my duties".

The statement came after the local television last Tuesday showed a film about a neighbourhood of luxurious mansions which was built almost overnight in one of the most picturesque locations in Ufa, capital of Bashkiria. The impressive villas with swimming pools and gyms were built mainly for government members, including the prime minister. Builders were brought in from all over the republic and specialists were invited from Kazakhstan and Moldavia.

Although the official statement says nothing about the film, the prime minister made it clear in conversations that he cannot carry on in his post after the showing.

Commenting on the statement, acting chairman of the Bashkir parliament Yuriy Demin told ITAR-TASS that the resignation "will not be accepted for the time being, because there are people in the cabinet of ministers who have nothing to do with the building of these houses".

Shakhray Mediates in Karachay-Cherkess Crisis

LD1607191794 Moscow ITAR-TASS World Service in Russian 1235 GMT 16 Jul 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow, 16 Jul—"The consultations to remove the threat of an interethnic crisis arising in the Karachay-Cherkess Republic, one cause of which was a conflict there between its structures of authority, have ended in the signing of a statement of accord between the chairman of the People's Assembly and the head of the republic". Russian Deputy Prime Minister Sergey Shakhray informed the ITAR-TASS correspondent of this in an interview.

The consultations lasted three days and were arranged by Deputy prime Minister Sergey Shakhray and the head of the Russian president's administration Sergey Filatov.

In Sergey Shakhray's opinion there was great concern over this matter, because "the Russian population might have become involved in an interethnic conflict for the first time, and this would have entailed dangerous consequences in the whole of southern Russia".

The signed statement speaks of holding autumn elections to local authorities and to the People's Assembly in Karachay-Cherkessia and also the signing of a treaty on ethnic and public accord in the republic. The statement also contains an appeal to the public, officials and the mass media to "refrain from making public utterances that undermine ethnic dignity and destabilize the situation in the republic". It was deemed necessary to suspend or rescind the decisions of the conflicting sides that had served as reason for an aggravation of the situation.

According to the deputy prime minister the Ministry of Nationalities and Regional Policy played a big role in settling this pre-crisis situation. In the near future a special group will be sent to the republic to observe the implementation of the accords reached in Moscow.

Chechnya's Dudayev Issues Decree on Civil Servants

MK1607093094 Moscow SEGODNYA in Russian 16 Jul 94 p 1

[SEGODNYA report: "Dudayev Issues Edict on Civil Servants"]

[Text] Chechnya President Dudayev has issued an edict prohibiting members of government, of law and order bodies, of special services, and military men to join parties and other political organizations. Civil servants cannot at the same time hold positions at enterprises and organizations and engage in entrepreneurial activities. Former officials of the law and order and special services bodies discharged on damning evidence cannot hold executive positions in organizations, regardless of forms of ownership, for three years.

White Cossacks Set Up Union in Yekaterinburg

LD1507202894 Moscow ITAR-TASS in English 1713 GMT 15 Jul 94

[By ITAR-TASS correspondent Nadezhda Potapova]

[Text] Yekaterinburg July 15 TASS—Representatives from Russia's six branches of Cossacks estabilshed today the White Union of Cossack troops at their meeting in the Urals city of Yekaterinburg. The creation of the White Union will apparently cause a split in the Cossack movement in Russia.

Leaders of the White Union announced that Russia is now ruled by former Soviet and party nomenklatura-men who have become big bosses in industry and finances. "They are ruining Cossacks", the Whites said.

The White Cossacks claimed that they are "the real defenders of Russian statehood and Cossacks' unity" and have nothing to do with the others, Reds, "fooled by the communist ideology and the ideas of internationalism".

The new-born union demanded self-administration, in the regions predominantly populated by Cossacks, and tax privileges.

International Affairs

Masol Leaves for CEI Meeting With Proposals

LD1507203894 Kiev UT-1 Television Network in Ukrainian 1600 GMT 15 Jul 94

[Text] A government delegation left for the Italian town of Trieste today. It will take part in a sitting of the associated council of the Central European Initiative [CEI]. Before departing, Vitaliy Masol, Ukrainian prime minister and head of the delegation, was briefly interviewed by our correspondent Vitaliy Borovko:

[Begin recording] [Borovko] I see that the Ukrainian delegation is going to Trieste with a package specific proposals on extending cooperation within the framework of the Central European Initiative. What is the essence of these proposals?

[Masol] Well, the point is that our ministries have been working in this direction. There are a lot of proposals for developing power engineering, transnational roads, cooperation in power engineering, cooperation with nuclear power ministries, and so on. Therefore today and tomorrow we will be examining these issues. I hope that we will find a positive decision on some of them. [end recording]

Gives News Conference on Market Reforms

LD1607171894 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 16 Jul 94

[Text] Ukraine's participation in the events similar to the sitting of the Central European Initiative countries enables our country to switch over to market reforms more quickly. Ukraine's Prime Minister Vitaliy Masol declared this at a news conference in Trieste. He led the delegation of Ukraine at this meeting which completed its work in the Italian city of Trieste.

He pointed out that we are now going through a large-scale economic crisis, and therefore, international support to our programmes, in particular, in the fields of the environment protection, transport, small-size and medium-size businesses is of great significance to Ukraine.

At the news conference Vitaliy Masol thanked Italy's Prime Minister Silvio Berlusconi for his assistance at the G-7 sitting in Naples regarding the granting of credit facilities to Ukraine for the implementation of market reforms and elimination of the aftermath of the accident at the Chernobyl nuclear power station.

Views Significance of Meeting

LD1707192994 Kiev UT-1 Television Network in Ukrainian 1600 GMT 17 Jul 94

[Interview with Ukrainian Prime Minister Vitaliy Masol by unidentified correspondent; place and date not given;—live or recorded]

[Excerpts] The Ukrainian Government delegation, which took part in a session of the Associated Council [untraced] within the framework of a session of the Central European Initiative, has returned to Kiev from the Italian town of Trieste. [passage omitted]

[Correspondent] Are you satisfied with the results of this session?

[Masol] Yes, I would like to say that I am very satisfied, because our speech was listened to very attentively. There was also support from Italy's Prime Minister Silvio Berlusconi in what he said at the end. Then, during our brief meeting, Berlusconi said the main thing—that the European Community, and especially Italy, is interested in rendering assistance to Ukraine to resolve its economy's transition to market relations. This was the main thing.

Second, he speaks strongly in favor of his initiative to render assistance to Ukraine. He emphasized this during our meeting. If, let us say, it were not for his interest, then my speech, which was about the state of our economy, about those sectors, in which we would like to cooperate in the Central European Initiative [sentence as heard]. Italy's transport minister, who also made a speech, emphasized those cooperation issues that are now the subject of working commissions, this has great significance for the development of Ukraine.

Second [as heard], they said that they are interested in Ukraine proceeding more quickly to market relations, that Ukraine should be a fully-fledged member of the European Community, a fully-fledged member. We insist on this too. If we are truly equal members of this community of Europe, then we should not be an associate member, but a fully-fledged member of the Central European Initiative. This issue will be studied. But there was understanding on their part that Ukraine is a great state, too.

[Correspondent] As well as taking part in the session of the Associated Council of the Central European Initiative, Vitaliy Masol met the heads of government of a number of states, delegations from which had come to Trieste.

The issues of the completion of preparations of political intergovernmental documents and economic cooperation were discussed in a conversation between the head of the Ukrainian delegation and Romanian Prime Minister Nicolae Vacaroiu.

After a constructive dialogue between Vitaliy Masol and Waldemar Pawlak, the head of the Polish Government, accords were achieved on a meeting next month between the prime ministers of the two neighboring states for close contact in specific spheres of cooperation.

The meeting between Ukraine's prime minister and Franz Vranitzky, Austria's Chancellor, was about a mechanism for granting a credit of 5 million [currency specified] to our state and Austrian assistance in developing the Ukrainian pharmaceutical industry.

The meeting between Ukrainian Foreign Minister Anatoliy Zlenko and Italian Foreign Minister Antonio Martino was a logical continuation of the Ukrainian-Italian dialogue. In particular, the necessity of signing of an interstate treaty as soon as possible was stressed at the meeting. Italian Prime Minister Silvio Berlusconi who was in the chair in Trieste and in the Central European Initiative in general, agreed to pay a visit to our country in the near future.

While in Italy, members of the Ukrainian Government delegation also visited Venice, where they looked over historical and architectural sights of the celebrated town.

Kiev Set to Expand Economic Cooperation Within CIS

LD1607161294 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 16 Jul 94

[Text] As we already reported, the CIS coordinating-consultative committee has held its sitting in Moscow. The Ukrainian delegation was headed by Ukrainian Deputy Prime Minister Valeriy Shmarov. Our special correspondent Vitaliy Naumenko asked Mr. Shmarov to comment on the outcome of the Ukrainian delegation's participation in this event.

[Begin recording] [Shmarov] This was a regular conference, with the agenda envisaging consideration of the issues to be submitted to a conference of the heads of government scheduled for September, and a conference of the heads of state, probably to be held in October. Such a decision was made today.

The most interesting issue considered at the conference was the interstate Economic Union. This is a strategic issue envisaging the consideration of progress in economic relations, and I believe this to be the most interesting issue discussed today. Ukraine submitted its own proposals concerning the entire package of issues. This package is supplemented with a plan of work, according to which issues of expanding and developing cooperation will be considered. After all, we are taking part in cooperation, except for those issues which exclude Ukraine's cooperation within the framework of the Coordinating-Consultative Committee, within the framework of CIS. These are issues of military cooperation, where our participation was not determined, issues of a single...[pauses] The Security of borders—we are taking part in—we have bilateral agreements with those who we cooperate with, and with regard to issues of the Customs Union, although I believe that life has probably led us or will lead us to the necessity of taking part in these areas of cooperation.

So, we expressed our opinion as far as the entire package of issues is concerned, and decided today to continue work on improving these documents so that they may be submitted to the heads of state.

In addition, certain local issues, worked out by experts and announced here today, have been agreed upon and will be submitted to the conference of the heads of government. These are issues on cooperation on railways, cooperation in the oil and chemical industry, and cooperation in the sphere of the hydrometeorological service, including mutual deliveries—this is also an issue with regard to setting up a joint bank of CIS states. By the way, this issue has long been discussed and I would say that procrastination weakens the idea which is good as such, which is one of the best ideas of the CIS, and which envisages mutual settlements and a joint bank. This is a shared idea. Unfortunately, today the CIS states again reported that it has not been implemented so far, probably through the fault of the Executive Committee, and through the fault of the people who were charged with this task. It seems that their approach to implementing this idea lacks initiative and qualification.

However, today we worked out certain follow-up measures to set things in motion. What Ukraine obtains depends on these documents, on the adoption of these documents.

[Naumenko] Valeriy Mykolayovych, how can Ukraine's support for the idea of setting up an interstate economic committee be reconciled with the fact that Ukraine is an associate member...

[Shmarov interrupting] This does not rule out economic cooperation, the more so that it does exist. The issue of being or not being an associate member is a very delicate political issue. I believe it does not influence cooperation maintained in real terms. Its influence is only in the fact that we have determined the areas where we do not cooperate, although as a matter of fact, even in these areas certain cooperation is maintained, although it is not documented politically. As far as general economic cooperation is concerned, I believe that we have all the rights. First, nobody restricts our opportunities and we also do not make it our task to restrict anyone, but we believe that cooperation within economies must follow. This will undoubtedly be a real economic success. [end recording]

Ukraine-Crimea Treaty Seen Possible After Election

LD1607162694 Kiev UNIAR in Ukrainian 1440 GMT 16 Jul 94

[Text] Simferopol, 16 Jul—In an interview for the KRYMSKIYE IZVESTIYA newspaper Viktor Mezhak, deputy chairman of Crimea's Supreme Council, reported that "following the election of a new president of Ukraine hope has appeared for the signing of a treaty between Crimea and Ukraine." According to Mr Mezhak, Leonid Kuchma "considers this to be expedient". Viktor Mezhak also reported that he would be heading the Crimean delegation, which will leave for Kiev on 19th July to take part in the inauguration of Leonid Kuchma as the new president of Ukraine. Viktor Mezhak reckons that at future talks he will be able to agree with the Ukrainian side issues regarding the subordination of the Crimea militia and the property of the Republic of Crimea, in accordance with the latest decisions by the Crimean parliament.

Speaking about mutual relations between the government and Supreme Council of Crimea, Viktor Mezhak emphasized that although "the deputies are indignant at the large number of mistakes made by the government, the government will not be dismissed, because according to Crimea's constitution, the decision on the dismissal of the government is taken by the president, and (then) approved by the Supreme Council of Crimea.

Crimean Parliament Delegation to Moscow

944K1769C Simferopol KRYMSKAYA PRAVDA in Russian 14 Jul 94 p 1

[Article by unidentified correspondent: "Crimean Parliament Delegation to Visit Moscow"]

[Text] A Crimean parliamentary delegation headed by Sergey Tsekov, its chairman, plans to visit Moscow in the near future at the invitation of the Moscow City Duma. This was reported to a correspondent of the INTERFAX-UKRAINE Agency by Sergey Nikulin, the leader of the Rossiya faction in the Crimean parliament and chairman of the parliamentary commission on legislation. He departed for Moscow on Tuesday [12 July] to make preparations for the visit.

According to the words of the parliamentarian, the Crimean delegation plans first and foremost in Moscow to discuss questions of economic cooperation.

A meeting of the leadership of the Crimean Supreme Soviet with representatives of the Central Bank is also planned. "The ruble zone—this is what interests us, and we are confident that the ruble zone in the Crimea is real," S. Nikulin declared.

Parliament Chairman: 'Impossible' To Restore USSR

LD1707153694 Moscow INTERFAX in English 1452 GMT 17 Jul 94

[Text] Ukraine's Parliamentary Chairman Aleksandr Moroz said it is impossible to restore the Soviet Union.

"Many states have come into being within the borders of the former (Soviet) Union, states which must preserve their sovereignty," Moroz told the newspaper GOLOS UKRAYINYY (THE VOICE OF UKRAINE), published by parliament. But "relations between them must be good and fraternal, because only in that case will we be able to help each other," he said.

Moroz said it was wrong to say that the Soviet Union had been "only an evil and only an empire." "We and those who are older than us were brought up in a tradition where motherland meant the USSR," he continued. "Those who are not sorry that the Union has fallen apart have no heart, and those who think that the Union can be restored today by voting in some conference room or other have no head," he summed up.

Foreign Ministry Tells Algerian Envoy of 'Deep Concern'

LD1507211794 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 15 Jul 94

[Text] On 15 July [name indistinct], ambassador extraordinary and plenipotentiary of Algeria, was invited to Ukraine's Ministry of Foreign Affairs. The ambassador was told of Ukraine's deep concern over the bloody terrorist act that took place in Algeria on 11 July. Ukrainian citizen Vitaliy Viktorovych Panasenko, from Kiev, who had been working on a contract in Algeria, was a victim of the act too. Ukraine's Ministry of Foreign Affairs insisted that the Algerian Government should take resolute measures to protect Ukrainian citizens who are working and living in that country, search for the criminals and punish them, and prevent such incidents from occurring in the future. A corresponding verbal note was presented to the ambassador. On behalf of his government the Algerian ambassador expressed deep regret and condolences to the family of the deceased Ukrainian and maintained that the Algerian authorities would do everything necessary to punish the guilty and to put an end to terrorist acts against foreign citizens.

Crimea Parliament Congratulates Lukashenka

944K1771C Simferopol KRYMSKIYE IZVESTIYA in Russian 14 Jul 94 p 1

[Text of the Crimea Supreme Council Chairman Sergey Tsekov's cable to Republic of Belarus President Alyaksandr Lukashenka"]

[Text]

Government cable

Republic of Belarus

Minsk

To the President of the Republic of Belarus

Alyaksandr Grigoryevich Lukashenka

Dear Alyaksandr Grigoryevich!

On behalf of the Republic of Crimea Supreme Council, please accept our sincere congratulations on the occasion of your election as the president of the Republic of Belarus. I am convinced that no borders have yet formed in our hearts that would divide brotherly Slav states.

We wish you success in your high state job, health, happiness, and luck in all your undertakings. The Republic of Crimea is ready for fruitful and mutually beneficial cooperation for the good of our people, in the name of peace, progress, and prosperity.

With our sincere regards,

[Signed] Crimea Supreme Council Chairman Sergey TSEKOV

Simferopol

12 July 1994

Meshkov Congratulates Lukashenka

944K1771D Simferopol KRYMSKAYA GAZETA in Russian 14 Jul 94 p 1

[Text of the Republic of Crimea President Yu. Meshkov's cable to Republic of Belarus President Alyaksandr Lukashenka"]

[Text]

To the President of the Republic of Belarus

A. Lukashenka

Dear Alyaksandr Grigoryevich!

Please accept my congratulations on the occasion of your election as the first president of Belarus. I support the Republic's efforts to restore a single economic space with Russia as a foundation of the new integration processes. I hope that Crimea and Ukraine will participate in them more actively, and that relations of friendship and cooperation will develop between Crimea and Belarus.

I wish you success and prosperity for Belarus!

[Signed] President of the Republic of Crimea Yu. MESHKOV

11 July 1994

Official Criticizes 'Symbolic' G-7 Aid for Chernobyl AES

AU1507115794 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 14 Jul 94 p 2

[Unattributed report on statement by chairman of Ukraine's State Committee for Atomic Energy Mykhaylo Umanets: "One Cannot Close Down Chernobyl Nuclear Plant for $200 million"]

[Text] It was stated long before the G-7 meeting in Naples that it would focus on the problems of Ukraine, including the fate of the Chernobyl Atomic Electric Power Plant [AES]. However, as they say, it was a great cry and little wool [as published]. The G-7 only allocated $200 million for closing down, as demanded by the International Atomic Energy Authority, the Chernobyl AES. Is it much or little? Here is the opinion of chairman of Ukraine's State Committee for Atomic Energy Mykhaylo Umanets:

"Let us give up emotions and speak in terms of figures. Here, in front of me, lies a document—a joint U.S.-Ukrainian assessment of the possibility of replacing the Chernobyl AES with other energy sources. On 23 June 1994, it was signed, on behalf of the U.S. side, by David Nalton [name as transliterated], U.S. minister of power engineering and deputy director of the U.S. Administration for Nuclear Power Engineering [titles as published]. The document estimates the cost of closing down three power units of the Chernobyl AES, without the destroyed fourth unit, at $1.396 billion. This is only for conservation [konservatsiya]. Now—what is the cost of the "alternative"? In accordance with this document, the completion and commissioning of the sixth power unit at the Zaporizhzhya AES will cost $292 billion, of the second power unit at the Khmelnytskyy AES—$485 million, and of the fourth unit at the Rivne AES—$495 million.

"In other words, this whole program, together with the fourth unit of the Chernobyl AES, costs just about $6 billion. We are offered... $200 (!) million. Where can Ukraine's devastated economy get the rest of the money? With such assistance, we cannot promise the closing down of Chernobyl. If we do accept it, the program will have to be fulfilled by somebody else. I will resign.

"One can understand the desire of Western politicians to get rid of the headache called Chernobyl. However, unfortunately, they want to do this at our expense. This assistance may only be called symbolic. [British Prime Minister] [John] Major, when he insisted upon the aforementioned sum, could not but realize this."

From the editorial board: On Wednesday [13 July], Ukraine's State Committee for Atomic Energy held a news conference on the results of the work in the [nuclear power engineering] industry over the first half of the year. Read about it in the next issue [of DEMOKRATYCHNA UKRAYINA].

Ukraine Granted Aid for Nuclear Power Engineering

LD1607163494 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 16 Jul 94

[Text] A session of the Central European Initiative [CEI] at the level of heads of government of 14 countries took place today in Trieste, Italy. For the first time in the work of this interstate association a sitting of the CEI associated council, attended by the delegations of Ukraine, Belarus, Bulgaria and Romania, was held within the framework of the session.

Opening the joint sitting Italy's Prime Minister Silvio Berlusconi emphasized, in particular, the exceptional importance of giving help to Ukraine in developing democracy, carrying out economic transformations and solving problems which face its power engineering. Silvio Berlusconi declared that international institutions actually authorized him to draw up a plan of action to help Ukraine in the field of nuclear power engineering; $320 million have already been allocated for this purpose as an initial contribution.

In his speech Ukraine's Prime Minister Vitaliy Masol stressed Ukraine's full determination to participate in all spheres of CEI activities and emphasized our state's interest in a full membership in this structure. This stand was supported, in particular, by the Czech Republic's Prime Minister Vaclav Klaus, who declared the necessity of expanding CEI at the expense of the interested countries with the aim of removing the vestiges of a split in Europe and its further unification.

Arms Trade With Iran, World Analyzed

WS1507134594 Kiev VECHIRNIY KYYIV in Ukrainian 13 Jul 94 p 2

[Article by Oksana Boyko, including interview with Iranian Ambassador to Ukraine Behzad Mazaheri; place and date not given: "To Sell Tanks, One Must First Learn How To Sell Camp Stoves"]

[Text] The arms trade has always been one of the most lucrative businesses and it is characterized by especially tough competition. Unlike in other fields of business, no political holds are barred in the arms trade.

As everyone knows, the former Soviet Union used to be one of the largest arms manufacturers and sellers, accounting for 37 percent of the world's exports in 1987. The military industry was concentrated rather heavily in Ukraine, representing one third of the Soviet military industrial complex and represented by around 3,000 large and small enterprises. After the demise of the Soviet Union, Russia inherited all the rights and property of the dead country, and became the only serious arms trader dealing with foreign countries. It now participates in international weapon exhibitions, also displaying products manufactured in Ukraine—the T-80 tank, for example. At present, Russia's share of the world's arms market stands at 21 percent, while the United States—exporting 48 percent of all arms in the world—is the leader in this business. Having inherited its portion of the former Soviet military equipment, arms, and plants, Ukraine remains cold, hungry, and highly ethical (or, more precisely speaking, timid)—not only did it not launch arms exports on a large scale, but it also refused to sell anything to anyone. High-ranking officials have repeatedly declared that Ukraine does not trade in arms and has no intention of doing so. This was still the case at the end of last year. The saddest thing is that they spoke the truth. Even though we actually did not trade arms, the media, especially those in West and East Europe, very often ran reports claiming otherwise. Iran, India, China, Albania, Yugoslavia, and South Africa were mentioned as the most popular clients to whom Ukraine allegedly sold its weapons. Of course, our government refuted all of those accusations. According to unofficial sources, the issue of military equipment sales was actually discussed at the negotiations with Iran on oil and gas supplies, and relevant documents were signed. Unfortunately, it did not go further than just the signing of documents. In February 1993, Iranian Petroleum Minister Gholam Reza Aqazadeh-Kho'i visited Ukraine and the issue of arms trade was again raised. The then- legislative speaker Ivan Plyushch, however, pointedly stated that Ukraine will not sell arms. Over time, the firmness of that statement has softened. In late December 1993, Borys Tarasyuk, deputy foreign minister and head of the national committee for disarmament, told journalists that as far as the arms trade is concerned, the Ukrainian Government complies with all the present principles and standards, and considers it impossible to sell arms to countries covered by sanctions imposed by the United Nations (Yugoslavia, Libya, South Africa, and Iraq). As for Iran, Ukraine is guided here by current international norms and its national interests. At present, there is hardly any reason to be seriously concerned about any large sales of Ukrainian weapons to Iran, Borys Tarasyuk said last December. While this year, both foreign and national media—citing their foreign counterparts—made public reports revealing that in the spring of 1993, Ukraine transported to Iran 50 MiG-29 jet fighters, 200 tanks, eight supersonic surface antiship rocket assemblies (Sunburn), and spare parts for Soviet- made military equipment.

So, what did we give and what did we receive in return? As is known, Ukraine did not get even a drop of oil—the product in which it is most interested. It should be remembered that the media reports were prompted by the "extremely attractive oil prices" offered by the Iranians.

Behzad Mazaheri, ambassador plenipotentiary and extraordinary of Iran to Ukraine, agreed to talk with me about this arms-and-oil issue and share some of his information.

[Mazaheri] We have examined the possibility of buying arms from Ukraine for a long time. However, we have not yet bought anything from your country. Now, about the MiG-29s: To the best of our knowledge, you do not manufacture those planes. As a matter of fact, we bought a sufficient quantity of MiG-29s from the Soviet Union during the Gorbachev era, and do not require any more of them. We would, however, readily buy other planes from your country—for example, the AN-72 civilian aircraft. We are currently conducting negotiations on this very issue. We are also interested in equipment for nuclear power plants.

[Boyko] In what Ukrainian arms are you particularly interested? Have you signed any documents in this regard? What about T-80 tanks?

[Mazaheri] So far, we are interested in everything—on the level of talks. No military contracts have so far been signed.

The T-80 tank is very interesting, but it was not manufactured only in Ukraine. Spare parts for this tank were supplied from all over the Soviet Union. True, Ukraine has a great deal of good military products, but for the time being, Iran does not buy any of them.

[Boyko] Could you confirm that the failure of the arms sale contract was one of the reasons that the Iranian oil was not delivered to Ukraine? Are there any other reasons? There is a widespread perception in Ukraine that some circles in its government deliberately keep Middle Eastern oil (and not only Iranian) at bay, because they have a personal interest in preserving the Russian monopoly in this sector.

[Text] [Mazaheri] I believe that we are faced, first of all, with technical problems related to transportation, storage capabilities, and so on. In other words, it is cheaper for you to purchase oil from Russia at this point. After all, you have long-standing ties with them.

Iran is, however, ready to sell oil and pay for whatever it purchases from Ukraine.

[Boyko] Then, from whom do you purchase arms?

[Mazaheri] As for the CIS countries, only from Russia, and many other countries of the world—China, for example. We have large stockpiles of arms left over from the times of the shah. In addition, our country itself manufactures many weapons. During the 18-month war [with Iraq], Iran became one of the strongest countries in the Persian Gulf, in a military sense. This is not the most important thing for us, though. The main goal of the Hashemi- Rafsanjani government is to improve the country's economic situation. We are for resolving problems by peaceful means, and not with the help of arms. Our state now has good relations with all of its neighbors.

[Boyko] And with Iraq?

[Mazaheri] With Iraq, too. Our foreign minister will soon pay a visit to that country.

[Boyko] Iran appears on the U.S. "black list" as a country which allegedly supports international terrorism. Does this make your life more difficult, hamper trade, make establishing contacts problematic, etc?

[Mazaheri] No, it does not. As for terrorism, acts of terrorism happen in practically every country in the Persian Gulf region—and in other regions, as well. Our state stands against terrorism in all its manifestations. Speaking about our image in the Western media, everything depends on the attitude of a given country in terms of big politics, economic interests, and the need to have an "enemy" in the world. In the past, this image was cultivated regarding the Soviet Union; so, now other countries are coming up next in line. We just want to live freely and independently...

[Boyko] Thank you for the conversation. [end Boyko]

This is the point of view of the Iranian ambassador. Of course, Mr. Mazaheri provided diplomatic answers and did not say the most important fact so often heard from unofficial sources: everyone is simply afraid of having to deal with us—the East, West, big and small companies. Our agreement with Iran regarding oil deliveries was meant to be conducted on a barter basis. We promised to pay with our wheat, sugar, steel, and hardware. No sooner had we agreed on this when the aforementioned products were classified as being of strategic importance. We ended up offering prices higher than elsewhere. Who will want to conduct unprofitable trade when there are so many other offers? All the more so since quality is not something about which we can brag. Even though a joint Ukrainian-Iranian economic chamber was established last year to handle all trade-related problems, our side has a vague notion as to what it is supposed to do. So, who then will want to cooperate with us in such a delicate and serious business as arms trade? We sell tanks and promise to supply spare parts for them at a certain price today, and tomorrow, we demand more money for those parts than for the tanks themselves. In one word, we are not reliable partners, because we care very little about our national interests. We are pleased with Western and U.S. aid for conversion, and they are pleased that we are big enough fools to eliminate ourselves as their competitors on the world arms market. Do you think the United States is driven by only high morals and a concern for mankind when it puts together its "black lists" and imposes embargoes on other countries, as if it is the only country able to tell right from wrong? No, it always acts to protect its national interests—and not only the United States. Some time ago, Israel warned Ukraine against selling arms to Iran, which did not prevent it from expressing interest in Ukrainian military equipment (according to JANES INTELLIGENCE REVIEW magazine of February 1994). Do you believe Israel thought that it would be more humane if a Ukrainian-made bullet kills an enemy of Judaism rather than Islamic fundamentalism? The truth is simple: Everyone is driven by their national interests. Having gained independence and defeated communism, we broke our links not only with the former Soviet republics, but we also discarded—with little exception—contacts with our partners that are still faithful to communist beliefs and who used to be our good partners during Soviet times. They still need our products and the services of our experts. They are ready to pay us for all this. Meanwhile, we just look around and try to elbow our way into Western markets with their harsh competition and myriad of products and services. Russia occupies niches where they are still available. It is not afraid of selling arms to Iran, does not mind cooperation with Cuba, and feels comfortable having a considerable diplomatic corps in Libya (cursed by the United States) and conducting lofty policies there. They can say that the United States and Russia are so big. So, why are we barging in there? Let us continue to be cart horses, and someone will soon come along to harness us. Maybe Libyan oil is of lower quality because Libya is run by al-Qadhdhafi and the Cuban nickel gets rusty and lemons sour because that country is ruled by Castro? You should not be surprised—with guidelines sent down from on high, our Foreign Trade Ministry can view the above reasons as being very serious.

National Affairs

Kuchma To Be Sworn In as President 19 Jul

LD1507161894 Moscow INTERFAX in English 1517 GMT 15 Jul 94

[From the "Presidential Bulletin" feature: Reports by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] In line with a decision by the national parliament, Ukrainian President-elect Leonid Kuchma will be sworn in at 1000 on 19 July in the building of the Supreme Soviet.

On Thursday Kuchma got a document which confirmed his victory in the presidential race. Chairman Ivan Yemets of the Central Electoral Commission congratulated him and hoped his moves to build independent Ukraine would be courageous and wise.

Kuchma urged journalists to refrain from playing up the standoff between the Ukrainian provinces and call on the citizens to work hand in hand for the sake of national unity.

Sources close to the president-elect told INTERFAX Kuchma's men were busy planning administrative change. Kuchma could be expected to restructure the government, say introduce the position of secretary of state, they said, as soon as he was sworn in.

So far Kuchma works in the building of the Ukrainian Industrialists' and Entrepreneurs' Union which he has, until now, led. He will be expected to move next week. Property and documents of outgoing president Kravchuk are being evacuated from the Administration building.

Parliament Relieves Kuchma of Duties as People's Deputy

LD1507124894 Moscow ITAR-TASS in English 1156 GMT 15 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 15 July TASS—The Supreme Soviet (parliament) of Ukraine today complied with Leonid Kuchma's request and relieved him of the duties of Ukrainian people's deputy. The procedure complied with current Ukrainian legislation.

Leonid Kuchma was elected president of Ukraine a few days ago.

Kuchma Not Planning To Replace Prime Minister

LD1607214694 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 16 Jul 94

[Text] Leonid Kuchma, president of Ukraine, intends to begin economic reforms in the country. He thinks that not a single positive step has been done in that direction yet. In an INTERFAX interview, Kuchma said that he intends to involve the best economic experts in cooperation, including from Russia, too. He does not intend to replace the new head of government and prime minister. He stressed that he did not intend to renounce cooperation, proceeding from the general understanding of the need for reform.

However, changes will take place in the cabinet itself in the near future. It is not excluded that that there will be reshuffles in key posts in the Ministries of Defense and Foreign Affairs. Touching upon the possibility of creating a political union between Ukraine and Russia, Kuchma stressed that normal relations must be built for the time being within the framework of the CIS and life itself will show how things work out further.

Kuchma Interviewed on Moscow TV

LD1707221694 Moscow NTV in Russian 1700 GMT 17 Jul 94

[Interview with Ukrainian President-elect Leonid Kuchma by Yevgeniy Kiselev in Kiev on 16 July]

[Text] [Kiselev] I will not hide from you that the Itogi program is quite pleased that Leonid Kuchma gave his first interview in his capacity as Ukraine's new president to yours truly in Kiev yesterday [16 July].

[Begin recording] [Kiselev] Leonid Danilovich, one week after your victory in the presidential election in Ukraine, I got the impression here in Kiev that many of those who had voted for you, who had actively supported you, and who had lent a hand in organizing your election campaign, did not believe you would win. And you: Did you really believe you would come out on top in this presidential race?

[Kuchma] Had I not believed it I would not have entered the presidential marathon, because it was a very hard thing in every respect. I did have this firm belief inside.

[Kiselev] So you already like the president of Ukraine, don't you?

[Kuchma] Oh no, all I feel is a heavy burden of responsibility upon me, since I am perfectly aware of the present economic and political situation in this country. Therefore, I am still trying to have this idea of being the president sink in.

[Kiselev] Many people are now saying that your victory, and consequently Leonid Kravchuk's defeat in the election, is the result of the difficult situation in the Ukrainian economy that we have at this stage.

[Kuchma] This is correct.

[Kiselev] Do you feel that you are responsible to some extent for the present difficult economic situation in Ukraine? After all, you were its prime minister for 11 months, and the memorable collapse of the Ukrainian currency happened while you were in office.

[Kuchma] Of course, I feel I am responsible, both morally and directly, as it were, because I was both the prime minister and a people's deputy. But as a prime minister I did make proposals, and I put them forward loud and clear in parliament, even though I realized I would not gain any political capital from this. My proposals were to lease the Black Sea Fleet together with the naval bases to Russia and through this to gain a breather for two or three years in order to restructure the industry. So while I accept that the collapse in the exchange rate of the coupon to the ruble happened during my government's term in office, I do not accept that I am to blame for this. I did make proposals, and maybe my fault is that I did not complete what I had started.

[Kiselev] Well, now you are president. What steps will you take now, drawing lessons from that which didn't turn out right in the past? Will you lease to Russia the Black Sea Fleet and the bases?

[Kuchma] That isn't the main thing. The main thing is really the reform of the economy. We have been standing still for quite some time while we have been dealing with our internal political problems and with the problem which we have mentioned. That is, we tried to hold out, not to allow production to drop drastically—and we did manage to do that last year.

But today, the process of privatization is, of course, the main thing.

[Kiselev] You once said in one of your pre-election interviews that should you be elected president, the first step that you would take as far as the economy was concerned was to change the taxation policy and to change the national currency exchange rate. Are such resolutions, the first decrees already being prepared?

[Kuchma] All the documents have been drawn up already.

[Kiselev] What direction will taxation policy take?

[Kuchma] Liberalization. Producers are being crushed by taxes: For every ruble earned, 83-87 kopecks are taken from industrialists today in tax. Tell me please, is there any benefit to be had from working today? That's why no one works today.

[Kiselev] Tell us please, what will your relations with the government, with premier Vitaliy Masol be like? You once said, at the start of the presidential pre-election campaign, that you were prepared to head the government yourself and spoke quite critically of the decision to return Masol, former chairman of the Council of Ministers of Ukraine in 1987-90, to the leadership of the Ukrainian Government once again. Having won the elections, how do you view that situation now?

[Kuchma] In the first place, whichever way you look at it, it was inappropriate to appoint a new prime minister just nine days before the presidential elections—I said that plainly and clearly. Although Masol personally is a professional—he has given a great deal of his life to work in the government administration apparatus. He has colossal experience and it should be used. And today I confirm that I intend to work with Prime Minister Masol. It is just that we'll have to change the tactics and the strategy somewhat, perhaps along the same lines as in Russia. Boris Nikolayevich cleared the path for the government. What I liked, both as a human being and as a premier, was that President Yeltsin never pointed his finger and said he had a bad prime minister. When Gaydar was being "massacred" just about everywhere—including in the Supreme Soviet of Russia—Yeltsin stood up in his defense. That's to say he took responsibility upon himself. I do not intend to point my finger and say that the government is bad. I really intend to... [pauses] to clear the path.

[Kiselev] You have in effect just admitted yourself that the decision to appoint Masol the Ukrainian prime minister just nine days before the election, showed, as it were, that if you were elected, relations with parliament would be very difficult. There are plans to reorganize Ukraine's state structure, to transform it into a parliamentary republic, with the powers of the president drastically curbed. What will you do if parliament moves from schemes to concrete actions? Is it possible that there will be a repetition in Kiev of what happened in Moscow in October last year?

[Kuchma] In principle, I rule this out. Although what I do not rule out is that things might happen along the lines you have described. In that case I will have to appeal to the people of Ukraine. Myself, I am quite convinced that Ukraine needs strong presidential power at this stage.

[Kiselev] A strong executive chain of command?

[Kuchma] A strong executive chain of command.

[Kiselev] So will you fight for these convictions?

[Kuchma] Absolutely! Otherwise, what is the point of coming here if you are not prepared to fight? No doubt I will really fight for my convictions, although I'll try to do it within bounds of the constitution, without digressing from it one little bit. But preliminary consultations with faction in the Supreme Council and with the chairman of the Supreme Council have already shown that we shall after all try to achieve mutual understanding.

[Kiselev] Have you already had consultations with prime minister Masol about possible changes in the government and possible inclusion of some new figures?

[Kuchma] We did have a very brief discussion. He is prepared to work constructively. And there will certainly be certain changes and new figures in the government.

[Kiselev] Can there be changes in the Ministry of Foreign Affairs or in the Defense Ministry?

[Kuchma] God moves in mysterious ways, so to say. I do not preclude it, and in fact I had even publicly spoken on the issues of Ukraine's foreign policy—many aspects of which I disagree. That is why I do not preclude such changes.

[Kiselev] But possibly the Supreme Soviet will have to approve the new appointees as before?

[Kuchma] I believe I will have enough reasons which would convince the parliament to follow that path.

[Kiselev] Have you gotten your staff together? Can you describe upcoming appointments?

[Kuchma] I would like to name, for example, Dmitriy Tabachnik, [former press secretary in Kuchma government] who has always been with me. I probably consider him as the President's Chief of Staff, in spite of his youth, which many people talk about.

[Kiselev] Leonid Danilovich, mass media both in Ukraine and Russia, as well as your political opponents have often described you as a pro-Russian politician, a man who can seriously harm the successes that Ukraine has scored on its path to independence. What do you think of that?

[Kuchma] When I am asked such questions, I always smile. I understand the creation of an economically powerful state; but I do not understand a state which has nothing but state symbols but 90 percent of its population live below poverty line. I do not accept such a state and I understand that people do not accept such a state. That is probably why they voted for me, especially in the east and in the south, where most Ukraine's industrial and scientific capacities are. People feel, in their own stomachs as it were, where all this is leading. I understand my opponents who were playing on certain feelings of people, especially of Ukrainians of the central and western areas—"Kuchma will come and you will have to surrender tomorrow".

[Kiselev] Do you accept a possibility of some kind of reintegration between Russia and Ukraine in some form? This idea is in fact very popular here in Russia as well, both among the grassroots and the politicians. Opinion surveys and discussions in the parliament show that everybody is enticed by the idea that some kind,—I stress, some kind—of union is possible, but nobody knows what union.

[Kuchma] If you go by the law, such a union exists already. There is a political union signed in Belovezhskaya Pushcha by three presidents, isn't it? It is there, but it needs to be filled with substance, economic substance. We had made commitments there, but then we started building an iron curtain. We need to build normal, civilized relations within the union of independent states. We have briefly touched upon customs checkpoint. One can't even describe them as "customs" in a civilized way. That's pure racket, which put everyone off cooperation. These are the simple things we should be working at. We should be establishing allied industrial banks, jointly between Russia and Ukraine, because much is stalled by difficulties in mutual payments. When such a union is set up, it will allow unblocking the questions of mutual payments and many other questions. I can name hundreds of them. There are specific proposals concerning the metallurgical industry, the chemical industry and the oil industry. We process 65 million tonnes of oil here in Ukraine. It is certainly better to sell oil products than to sell the crude; This is something that Russia oil extracting companies are interested in. There are numerous proposals. With good will, as they say, and with the help of the government, the president and the law, enterprises will find ways to meet each other, and we should not put a spanner in their works, as they say.

[Kiselev] If we take political problems, which have always been the sore point in relations between Moscow and Kiev—I mean the problem of the Black Sea Fleet, which we have already touched upon in our discussion today, and the problem of the Crimea; what will your policy be in these matters?

[Kuchma] My policy will be as follows: This Gordian knot has to be cut as soon as possible, so that it does not hamper normal relations. I think we shall meet understanding in this matter.

[Kiselev] How well founded is the apprehension of certain Russian politicians and observers, who believe that you, with your background as one of the fathers of the Ukrainian military industrial complex and a missile director, might have a different approach to issues connected with nuclear problems?

[Kuchma] You mean because I used to be a missile director?

[Kiselev] Yes, because it is your brainchild.

[Kuchma] Well, I have a clear and fine understanding of these problems. The sooner Ukraine gets rid of these missiles in this situation, the better it will be for Ukraine. Agreements signed in Moscow by Kravchuk and Yeltsin must be fulfilled. I can't see any other way and I have no intention of changing anything in this situation. It is certainly an enormous economic problem for Ukraine: It is one thing to remove nuclear warheads, and it is quite another matter to remain face to face with all these missiles, which are long past their shelf life, particularly 130 liquid fuel missiles.

[Kiselev] You mean the rockets filled with (?hexyl), which is extremely hazardous for the environment?

[Kuchma] Quite so. Moreover, the technology for reprocessing this (?hexyl) is... [pauses] So there you are: In economic terms, Ukraine cannot cope with this problem on its own.

[Kiselev] Is some kind of cooperation between Ukraine's missile industry and the relevant Russian enterprises possible?

[Kuchma] That must be done without fail. We have lost our market. The Soviet Union used to hold second place in the world in the sale of weapons and, I know, now even Russia is being overtaken by countries such as Spain. Tell me, please, what have we gained from that? If we had sat down at the start and agreed on the parts that Ukraine used to produce and to deliver to Russia, and Russia sold weapons—since in the main it was Russia who produced finished weapons—everybody would be a winner. And there would be funds for conversion, there would be new technology and equipment, and so forth. I know that Ukraine—Dnepropetrovsk—makes antiaircraft missiles, such as the Zenits and the Tsiklons, whose specifications are greatly superior to all similar missiles in the world today. But who gains from that if Russia itself were to begin to develop such missiles? In the first place, that would take many years and many billions in expenditure. The whole world is really creating transnational companies—unlike Ukraine which tried, and Russia which tried this to a degree— to build up own self-contained economy. That's not a path to the future. It's a path to the past. That is a great grief for our peoples.

[Kiselev] Leonid Danilovich, could you clarify your position on the status of the Russian language in Ukraine. You've said that the Ukrainian language is the state language, but the Russian language must receive the status of an...

[Kuchma] Official language.

[Kiselev] ...official language. Has this position changed now?

[Kuchma] I have said directly and clearly that the Russian language must not be perceived as a foreign language in Ukraine. This is a disgrace, so to say, unprecedented disgrace.

[Kiselev] But they also say that you were not very fluent in Ukrainian and that you even began taking lessons of Ukrainian with a teacher. Is that true?

[Kuchma] I had three lessons or so, and then I was forced by circumstances... [pauses] Yes, this is so. A president must know the Ukrainian language well. This is not my fault. I have worked in the space and missile industry all my life—Tell me, which language was I supposed to be using then? Russian, of course.

[Kiselev] You were one of the top managers at Baykonur for 10 years, and they say you were the youngest top manager in its history. You are an engineer to the core, you also sing [the song] Okudzhava, and play a guitar. [Kuchma laughs] You are a typical 60's man. Do you agree that you are a representative of the generation of the 60's?

[Kuchma] That was really a special generation. Today's young people live in a different era, and we lived in ours. Our values were then completely different from today. First, we genuinely believed in what we were building, and secondly, it was then that appeared the first green shoots of liberty, of the desire to have one's own opinion about everything taking place.

[Kiselev] Is it true that you are an accomplished whist player?

[Kuchma] Yes I am.

[Kiselev] Are you a gambler by nature then?

[Kuchma] [pauses] To a degree.

[Kiselev] Will this define your profile as the number one in the Ukrainian politics?

[Kuchma] [pauses] In big politics, one must be... [pauses] one must be able to analyze many sides of the political life, of the state life, and one must take the only right decision.

[Kiselev] Having calculated beforehand one's own and partners' moves?

[Kuchma] Exactly. Although I always say that I do not want to be called a politician. I prefer Churchill's definition that a politician differs from a statesman in that one wants to win the next election and the other thinks about the future of his state. I would like to be... [pauses] to think more of the future. And that is what concerns me most today.

[Kiselev] Thank you for the interview.

[Kuchma] Thank you for finding time, for inviting me to such a reputed program with such a famous anchorman.

[Kiselev] Thank you. [end recording]

Meshkov Views Kuchma Election

944K1769B Simferopol KRYMSKAYA PRAVDA in Russian 14 Jul 94 p 1

[Article by unidentified correspondent: "Meshkov Expresses the Hope That the New Ukrainian President Will Adopt a Policy of Strengthening Ties With Russia, Belarus, and Other CIS Countries"]

[Text] Crimean President Yuriy Meshkov has expressed the hope that Leonid Kuchma, the new Ukrainian president, will adopt a policy of strengthening ties with Russia, Belarus, and other CIS countries.

In an appeal disseminated Tuesday to the citizens of Ukraine on the occasion of the presidential election, Yu. Meshkov notes that, with the change in political leadership, Ukraine will enter into a new phase, since L. Kuchma is well-known as a statesman who supports the priority of economic over political values.

Crimean Deputy Premier Impressed by Kuchma's Stand

LD1607192694 Kiev Radio Ukraine World Service in Ukrainian 1800 GMT 16 16 Jul 94

[Text] The stand taken by the newly elected president of Ukraine, Leonid Kuchma, impresses me, said Crimea's Deputy Premier Yevgeniy Saburov in an interview for the Crimean television. He does not invent enemies but proposes to work in a normal manner, pointed out the deputy premier.

Meshkov Appeals to Ukraine's People on Change of Priorities

AU1507124994 Kiev HOLOS UKRAYINY in Ukrainian 14 Jul 94 p 2

[Oleksandr Pilat report from the Crimea: "Toward the Strongest Possible Union With Russia"; "Appeal by (Crimean President) Yu. Meshkov to the People of Ukraine"]

[Text] The appeal by the president of the Crimean Republic to the people of Ukraine has been published. In it, Yuriy Meshkov points out, in particular, the following: "With the change of the political leadership, Ukraine will probably enter a new phase in its development, since L. Kuchma is known to be a state figure advocating the priority of economic over political values, something with which the people in the Republic show great solidarity." The appeal goes on to say this: "I hope that the new president and all Ukrainian citizens will now take the course toward restoring friendship and mutually advantageous cooperation, joining efforts in the interests of all residents of Ukraine, and creating the strongest possible union with Russia, Belarus, and other CIS states."

Yu. Meshkov sent a congratulatory telegram to A. Lukashenka in connection with his election as Belarusian president. In the telegram, he expressed support for "the Republic's efforts aimed at restoring a single economic area with Russia as a foundation for new integration processes." The president of the Crimean Republic hopes that the Crimea and Ukraine will take a more active part in these processes and that friendly relations and cooperation between the Crimea and Belarus will develop.

Crimean Deputies Unhappy About Meshkov Tour of Europe

LD1607102894 Kiev UNIAR in Ukrainian 2130 GMT 15 Jul 94

[Text] Sevastopol, 15 Jul—Crimean President Yuriy Meshkov is returning from his tour of Europe to Crimea, according to unofficial sources cited by the "Island of Crimea" radio station. Yuriy Meshkov's 10-day absence from the peninsula has caused discontent among Crimean Supreme Council deputies. In addition, because of a lack of official information about the president's whereabouts and occupations, his absence has given rise to a fresh tidal wave of rumors.

Commission on Crimea Citizenship Draft Law

944K1771B Simferopol KRYMSKIYE IZVESTIYA in Russian 14 Jul 94 p 1

[Text of the decree of the presidium of the Crimea Supreme Council "On Forming a Commission on Reconciliation of the Drafts of the Republic of Crimea Law 'On the Republic of Crimea Citizenship'"]

[Text]

Decree of the Presidium of the Crimea Supreme Council "On Forming a Commission on Reconciliation of the Drafts of the Republic of Crimea Law 'On the Republic of Crimea Citizenship'"

The Presidium of the Crimea Supreme Council

resolves:

In keeping with Article 87 of the Republic of Crimea law "On the Rules of the Crimea Supreme Council," a commission shall be formed on reconciliation of the drafts of the Republic of Crimea law "On the Republic of Crimea Citizenship," with the following membership:

Aleksey Alekseyevich MELNIKOV, deputy chairman of the Crimea Supreme Council, commission chairman;

commission members:

Anushavan Surenovich DANELYAN, chairman of the Crimea Supreme Council permanent commission on ethnic policy and problems of deported citizens;

Lyubov Ivanovna YELISEYEVA-BORA, Crimea minister of justice;

Valentin Mikhaylovich KUPTSOV, Republic of Crimea procurator;

Yelena Nikolayevna KUTEPOVA, Republic of Crimea presidential adviser on legal issues;

Vitaliy Stepanovich RUDAKOV, Crimea Supreme Council deputy;

Anatoliy Ivanovich TITARCHUK, deputy chairman of the state-legal department of the Crimea Supreme Council secretariat.

[Signed]Crimea Supreme Council Chairman S. TSEKOV

Simferopol

11 July 1994

No. 91-1

Parliament Passes Resolution on Diplomatic Appointments

LD1607113094 Kiev UNIAR in Ukrainian 2130 GMT 15 Jul 94

[Text] Kiev, 15 Jul—At the afternoon sitting of the Supreme Council of Ukraine session, deputies, in particular, passed a resolution regulating certain taxation system points. Also passed was a resolution on the procedure for appointing heads of Ukrainian missions to foreign states and international organizations. Under the latter resolution:

1. Heads of Ukrainian diplomatic missions to foreign states and international organizations are to be appointed by a Ukrainian presidential directive upon a submission by the Ukrainian foreign affairs minister, agreed with the Supreme Council of Ukraine foreign affairs and CIS relations committee;

2. Heads of trade and economic sections under Ukrainian diplomatic missions to foreign states are to be appointed by a directive by the Ukrainian external economic relations minister, agreed with the Supreme Council of Ukraine foreign affairs and CIS relations committee and with the Ukrainian foreign affairs minister;

3. The Ukrainian Foreign Affairs Ministry is to inform the Supreme Council of Ukraine foreign affairs and CIS relations committee of the appointment of heads of Ukrainian consular missions and heads of military attache sections at Ukrainian diplomatic missions to foreign states.

The work of Supreme Council session plenary sittings will continue on 19 July. After the swearing of allegiance by Ukrainian President Leonid Kuchma, there will be a meeting between people's deputies and oblast and basis level town council chairmen at the plenary sittings chamber. It is planned that there will be a debate on the draft law of Ukraine on local authorities. This will be followed by deputies' work in Supreme Council standing committees in the next few days. On 22 July, the Supreme Council of Ukraine Presidium will hold a sitting to finalize the order of parliamentary business for the end of July.

Crimea Decree Opens Way for Foreign Banks

944K1770A Simferopol KRYMSKAYA PRAVDA in Russian 14 Jul 94 p 1

[Comment by Andrey Chernyavskiy: "Opening the Doors to Capital"]

[Text] A decree was adopted on Monday at a meeting of the Government of the Republic of Crimea on the registration (licensing) of banks with foreign participation on the territory of the Republic of Crimea. We asked Andrey Chernyavskiy, minister of economics, to comment on this important decision for Crimea.

"The decree that has been adopted is an important step in specification of the presidential edict 'On Banks and Banking Activity,' which reflects government strategy aimed at the attraction of foreign banks. Ukraine introduced a statute on the licensing of banks with foreign participation that is essentially prohibitive, inasmuch as it contains a number of conditions that are hard to meet. Ukraine is thereby deliberately adopting a policy of self-isolation in the sphere of banking, while Ukraine's banks are in an undeveloped state.

"We, on the other hand, will work to attract major banks, primarily Russian, obviously. This will undoubtedly afford Crimea an opportunity to attract large capital, bring back the money that is overseas, in foreign bank accounts, and facilitate payments between subjects of different states.

"The Crimean procedure of the registration of banks with foreign participation differs from the Ukrainian procedure in its lower demands on nominal capital, a reduction in the documents required for registration, and the absence of restrictions on activity.

"I would like to add that we are simultaneously planning a whole number of measures for the protection of operating Crimean banks."

Minister Praises Loosening of Rules

LD1607102194 Kiev UNIAR in Ukrainian 2130 GMT 15 Jul 94

[Text] Simferopol, 15 Jul—In an Interview with KRYMSKAYA PRAVDA, Crimean Economics Minister Andriy Chernyavskyy commented on the resolution "On Registering (Licensing) Foreign Banks," that was recently passed by the Crimean government. Mr. Chernyavskyy said: "The Crimean procedure for registering banks with foreign capital differs from that in Ukraine in that, as well as having no restrictions on their activity, it requires a smaller authorized capital and a reduced number of documents needed for registration." The Crimean minister believes that "this will undoubtedly enable Crimea to attract considerable capital and return to the homeland the funds that are in foreign banks' accounts abroad."

Crimea Finance Ministry Insists on Limiting Staff Numbers

LD1607221594 Kiev UNIAR in Ukrainian 2045 GMT 16 Jul 94

[Text] Simferopol, 16 Jul—At a sitting of the Collegium of the Republic of Crimea's Finance Ministry, in which heads of town and rayon executive committee finance departments participated, an appeal was approved to Yuriy Meshkov, president of the Republic of Crimea, and to Crimea's Supreme Council. "In connection with the unsatisfactory state of state finances in Crimea, under conditions of instability of economic processes, a decline in production and a chronic shortage of budgetary resources, we demand that limits to the number of staff in bodies of local government and budgetary establishments be confirmed, and insist on changing from subisdies to enterprises to targeted subsidies for poor categories of the population," the appeal notes.

At the sitting of the Collegium, it was declared expedient to increase the efficient use of power and water resources, to review the rates of payment for land leased to military units of the Black Sea Fleet and Ukraine's Defense Ministry, and to review the current system of tax concessions.

Kuchma Says Russian Fleet Can Lease Base at Sevastopol

LD1707141794 Moscow Mayak Radio Network in Russian 1330 GMT 17 Jul 94

[Text] The Russian Black Sea Fleet base should be at Sevastopol, said Ukrainian President Leonid Kuchma in an interview with INTERFAX-UKRAINA. He emphasized, however, that his country can lease only the naval bases and not the city itself.

Kuchma Opts for Government-Controlled Economic Reforms

LD1707132394 Moscow INTERFAX in English 1207 GMT 17 Jul 94

[Text] With help from the leading, including Russian, economists, Ukrainian President-elect Leonid Kuchma intends to carry out more economic reforms.

In an exclusive interview with INTERFAX, Kuchma said Saturday that the executive branch of national power must concentrate on moves to liberalize taxation policies and speed up privatization "so as to enable the producer to operate under normal conditions." But, Kuchma said, reforms must be carried out under government control.

So far, Kuchma said, not a single step in the right direction had been made in the field of economic reform.

Kuchma was willing to cooperate with Prime-Minister Vitaliy Masol although he wished the Supreme Soviet had waited till after the elections with the appointment of prime-minister.

Since both men saw the need for economic reform, Kuchma had no intention of shunning Masol.

Nonetheless, Kuchma confirmed rumors of an upcoming Cabinet reshuffle. He "could not rule out" replacements in the upper echelons of the Foreign and Defense Ministries.

Kuchma hoped for constructive cooperation with the Supreme Soviet. He had already held consultations with its speaker Aleksandr Moroz and the leaders of the major parliamentary factions.

According to Kuchma, his office would be manned very soon. Dmitriy Tabachnik was to be his chief-of-staff.

Kuchma emphasized the need for implementing the nuclear disarmament agreement signed in Moscow by the Ukrainian, Russian and U.S. leaders.

He said, however, that the removal of the nuclear warheads from Ukrainian territory could leave Ukraine face to face with the problem of unserviceable missiles. On its own, he said, Ukraine would not be able to resolve that problem.

Addressing proposals for a new political union between Ukraine and Russia, Kuchma pointed to the Commonwealth of Independent States. He suggested that at this stage the two countries promote "normal and civilized" relations in the framework of the Commonwealth and "see what came next."

Kuchma confirmed his intention to promote friendly relations with Russia although he felt that the Ukrainian economy must be open to the West. Instead of being a sanitary buffer zone, Ukraine must emerge as a bridge between the Commonwealth of Independent Republics and the West, he said.

In Kuchma's view, Russia's Black Sea Fleet must be based in Sevastopol. Everyone realized only too well, he said, that Russia would not leave Sevastopol. But Russia could be granted a lease on the city's naval facilities and not the city as such and, he said, Russia must help finance the city's social programs.

Leonid Kuchma is to be sworn in as Ukrainian President at a special sitting of the national legislature, on Tuesday, 19 July.

New Deputy Prime Minister on Fuel, Energy Problems

WS1807110394 Kiev URYADOVVY KURYER in Ukrainian 14 Jul 94 p 3

[Interview with Ukrainian Deputy Prime Minister Anatoliy Dyuba by Volodymyr Ilchenko; place and date not given: "Difficult Work Awaits Us"]

[Text] Anatoliy Dyuba was appointed deputy prime minister a few days ago. He was born in 1940 in the city of Donetsk, where he worked at the Rolling Mill and in a mine, rising from a simple worker to a director. He headed the Main Production and Technology Department of Ukraine's Ministry of Coal Mining; beginning 1986, he was deputy minister. He was appointed head of the State Committee for Inspection of Industrial Safety Measures and Mining the following year; at the end of 1992, he became head of Ukraine's State Committee for the Inspection of Labor Safety. A presidential edict made him deputy prime minister responsible for the fuel and energy complex, metallurgy, and chemistry.

[Ilchenko] Anatoliy Fedorovych, you have now been working in this high governmental post for several days. What are your first impressions?

[Dyuba] I am familiar with issues concerning the coal branch, since I have worked there for 22 years; therefore, I understand that difficult and responsible work awaits me.

My first impressions? Causes for great anxiety today are the problems in Ukraine's fuel and energy complex, as well as energy supplies—oil, gas, coal, and electricity. Measures adopted by the Cabinet of Ministers to stabilize these branches have yielded certain results. The present plan for coal supplies to thermal electric power plants is being fulfilled (5.6 million tonnes have been dispatched); also, work in metallurgy has improved over the past two months. The problem of safeguarding the national economy with gas supplies has been resolved. The pumping of gas into underground depositories for use in winter is currently under way.

Practically all branches of the fuel and energy complex are in heavy debt. Our debt to Russia totals over $1 billion; the problem of repayments has not been solved. The financial situation in the metallurgy and coke industry is also difficult. A lack of funds and an imperfect system of mutual settlements curb any increases in production volume and sales.

[Ilchenko] You have surely received your first tasks from the prime minister and started to get a handle on things. Are you not afraid that the duties facing you are simply too much?

[Dyuba] The process preparing thermal and hydroelectric power plants for operation during the winter is not an easy task. The lack of fuel oil is cause for alarm: as of today, we have only 570,000 tonnes of fuel oil, whereas we need to have 2 million tonnes in storage before August. Without fuel oil, we will not be able to burn coal dust, with which we can supply electric power plants. According to preliminary estimates, electric power engineering faces a coal deficit of around 2-3 million tonnes.

This problem can be solved by an increase in domestic coal production or imports from Russia, even though the cost of transportation exceeds the value of resources.

There is also a catastrophic lack of timber for the needs of the coal industry. We estimated at the beginning of this year that we will receive 1.337 million cubic meters of timber, but, as of today, we have only 711,000, slightly over half of our needs. The direct links between Ukraine's enterprises and suppliers reduce tension to some extent, but financial difficulties prevent any increases in coal production.

I, as any other man assuming a new post, am not devoid of certain doubts and anxieties. I have, however, assumed this post quite on my own accord, because I have been working in the fuel and energy complex for all of my life; moreover, in my previous post, I had connections with other branches of the national economy. I am acquainted with the problems. As for details, one usually needs some time to become familiar with them.

[Ilchenko] In your opinion, should the state be occupied with the supply of energy resources today? Is it not better to leave that trouble to the consumers?

[Dyuba] These resources received by the state under quotas should be state-controllable—supply, shipment, processing, and sale. The mechanism for importing energy resources by nonstate entities, even with all its deficiencies, contributes to a reduction in energy troubles, as well. Our refineries are capable of processing 60-65 million tonnes of oil, while Ukraine's domestic needs amount to only 40 million tonnes. Processing the oil surplus for Russia may be used as a form of repayment for our needs—the countryside, electric power engineering, and other branches.

We must distribute energy resources very carefully, especially gas. Mykhaylo Kovalko, head of the State Committee for Oil and Gas, has recently held talks in Moscow—things are advancing, but everything is hampered by nonpayments. That is to say, we must negotiate either a postponement of payments or a state credit from Russia.

[Ilchenko] What structural changes are to be expected in the fuel and energy complex?

[Dyuba] Proposals regarding structural changes in certain branches, including the Ministry of Energy, are currently being examined. Revisions should be made in the systems of gas and oil supply, oil processing, and the metallurgical complex.

The upcoming Cabinet of Ministers session will examine issues connected with the preparation of electric power plants for winter. Resolutions are being prepared for shutting down the Chernobyl nuclear power plant and for completing construction of the Rivne nuclear plant to compensate for the reduction in output capacities.

I suppose that the government, along with managers of the fuel and energy complex, will work out an appropriate state policy which will yield positive results for the entire national economy.

Industry Minister's Plan To Hinder Antidumping Proceedings

LD1707163694 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 17 Jul 94

[Text] Metal producers and metallurgical combines of Ukraine and Russia should agree on joint actions and prices on the world market, and as far as possible dictate their own rules of the game to Western partners. Ukraine's Industry Minister Anatoliy Holubchenko said this in an interview for the press. He noted that such coordination of actions on the Western market will become an efficient obstacle in the path of antidumping proceedings instituted against Ukraine. Ukraine's industry minister stressed that consumers of Ukrainian metal, in Germany for example, have a negative attitude to such actions, but can do nothing.

Belarus

Lukashenka Proclaimed Official Winner; Reaffirms Commitment

WS1507125694 Minsk Radio Minsk Network in Belarusian 1200 GMT 15 Jul 94

[Text] The Central Electoral Commission for the election of the president of the Republic of Belarus held its regular session on 15 July, at which the results of the second round of elections were officially summed up. The final results do not differ substantially from the preliminary returns—80.34 percent of the electorate voted for Alyaksandr Lukashenka; 14.17 percent voted for Vyachaslaw Kebich. Thus, it has been officially confirmed that Alyaksandr Ryhoravich Lukashenka has been elected president of the Republic.

Having congratulated him on the assumption of the high post on behalf of the Central Electoral Commission, commission Chairman Alyaksandr Abramovich presented Mr. Lukashenka with the presidential certificate, which was met by applause from those people present. The new state leader was also presented with a bouquet of beautiful roses.

Alyaksandr Lukashenka then delivered a speech. Having thanked the voters for their confidence in him, he once again concentrated on the principal provisions of his program and voiced assurances that he would spare no effort to implement it and guarantee the Belarusian people decent lives, although this will not be an easy task.

The participants in the ceremony wished Alyaksandr Lukashenka success in pursuing this noble goal.

Lukashenka on Forming Government, 'Widespread' Corruption

WS1507133994 Minsk BELAPAN in Belarusian 1245 GMT 15 Jul 94

[Text] Speaking at a ceremony dedicated to the announcement of the official results of the presidential elections in Belarus, President Alyaksandr Lukashenka said that, in his opinion, two issues are of primary importance. The first is the forming of a new government: "I hoped that I would be able to rapidly form a government, because I had believed that many members of the current Council of Ministers would retain their posts." Lukashenka has, however, recently obtained access to new documents proving that almost all members of the former government have been involved in corruption.

"I had no idea that corruption in our society is so widespread. I have faced a situation in which only a few members of the former government can be employed in the new Council of Ministers"—added Alyaksandr Lukashenka.

The economic catastrophe is the other problem. The crisis is so bitter that Alyaksandr Lukashenka has decided to deliver a report on this issue at the next extraordinary session of the Belarusian Supreme Soviet. Extraordinary measures aimed at overcoming the crisis are to be drafted in the immediate future. A number of renowned native and Russian economists will be involved in drafting these measures. Grigoriy Yavlinskiy has preliminarily confirmed his participation in this endeavor.

However— emphasized Alyaksandr Lukashenka—regardless of the critical situation, he would "not make a single antipopular step without the electorate's consent." He added: "I am not planning to raise prices for bread or other foodstuffs, for I have no powers to do so; I have also categorically forbidden the members of the current government to adopt such measures."

According to the president, ways to avoid antipopular measures are currently being discussed. If prices are increased, nonetheless, socially insecure groups will be fully reimbursed.

New Government Appointments Not Ready Before 20 Jul

WS1807081194 Minsk BELAPAN in Belarusian 1300 GMT 16 Jul 94

[Text] A member of Alyaksandr Lukashenka's team, who preferred to remain anonymous, has told a BELAPAN correspondent that the president-elect will not be able to advise the Supreme Soviet of his nominations for the posts of prime minister and the power ministers on 18 July, as previously planned. The date 18 July was mentioned by Supreme Soviet Chairman Myacheslaw Hryb at the 13 July Supreme Soviet Presidium session. The anonymous official pointed out that work on coordinating the candidacies will not be completed before 20 July, when the emergency legislative session is to convene.

Prosecutor's Office To Discuss Fighting Corruption, Crime

WS1507084894 Minsk Radio Minsk Network in Belarusian 0300 GMT 15 Jul 94

[Text] The press center of the Belarusian Prosecutor's Office has reported that the Prosecutor's Office Board will hold a session on 15 July to discuss issues vital to our society. These include the state of prosecutor supervision over the observance of the Law on Fighting Corruption and laws on the issuance of credits in the systems of the National Bank and Savings Bank of Belarus, as well as the course and results of fighting crime in the first half of 1994.

Lukashenka To Meet Yeltsin 2 Aug

LD1507141694 Moscow ITAR-TASS in English 1321 GMT 15 Jul 94

[Report by unidentified BELINFORM correspondent for TASS]

[Text] Minsk 15 July TASS—Alyaksandr Lukashenka, the newly elected Byelorussian [Belarusian] president will meet with Russian leader Boris Yeltsin in Moscow on 2 August, Lukashenka told BELINFORM today.

The president-elect said that during his recent telephone conversation with Yeltsin the latter had "unequivocally promissed economic support to the Republic" and asked about the future of some members of the Byelorussian Government, including Premier Vyachaslaw Kebich.

During the conversation the presidents also touched upon the issues of signing an economic treaty, Lukashenka added.

Interviewed on Upcoming Meeting

LD1607191194 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 16 Jul 94

[From the "Novosti" newscast]

[Text] [Novosti presenter Sergey Medvedev] The electorate of Belarussia (Belarus) voted in favor of changes and against the old cabinet. On the eve of the broadcast on the airwaves of this program, we held a Moscow-Minsk TV bridge and Alyaksandr Rygoravich Lukashenka, first president of the Republic of Belarussia, noted in reply to my question that he has already established good contacts with the leaders of Russia. For instance, in a 15-minute conversation with Boris Nikolayevich Yeltsin, the presidents agreed that they would meet in Moscow on 1 August and would discuss the immediate prospects for cooperation. And so over to the Moscow-Minsk TV bridge.

[Medvedev] All the mass media have said that Vyachaslaw Kebich and his cabinet have resigned. You practically have to begin working in the economy from zero and evidently to work with a new government. Who will remain, if that is not a secret, from the old cabinet, and who is working in the government now?

[Lukashenka] After Lukashenka takes the oath as president, the prime minister will make a statement on renouncing his powers and that will have legal force, and perhaps also on the Cabinet of Ministers renouncing their powers. However, I have to say that was a statement by just one person, because all members of the government, all ministers, and bodies of power are strictly fulfilling all my instructions, although legally I am not yet the president of the Republic of Belarussia. I am satisfied with such behavior in the republic. We are trying to smooth out the running of the Republic, both of the state and its entire economy.

[Medvedev] Yes, very interesting information. Alyaksandr Rygoravich, you support unification of the monetary systems of Russia and Belarussia. You once said that you are against the principles proposed by Vyacheslaw Kebich. Is that so? If that is not so, what principles are we talking about?

[Lukashenka] In the first place, Lukashenka has not said anywhere that he is against the principles of the unification of monetary systems, which Kebich is said to have put forward. If we are talking about that, then these principles were worked out in close cooperation between Kebich and Lukashenka, and I support the September treaty of 1993, the agreement on the unification of the monetary systems of Belarussia and Russia. I remain a supporter of that agreement, but I do not understand why you keep going on about that treaty on the unification of monetary systems. Let's take a wider look at our relations...

[Medvedev interrupting] Let's...

[Lukashenka] First of all, at the Big Treaty which is being drawn up today between Belarussia and Russia—we call it the Big Treaty and we will agree its principles at a meeting with your president, Boris Nikolayevich, on 1 August, and a component part of it will be the unification of our monetary systems. I am a supporter of the September agreement on the unification of the monetary systems of Russia and Belarussia. Therefore, I am not diverting from the principles, but I do not agree with these games with such a major state as the Russian Federation, our fraternal state.

[Medvedev] Yes, that's a good principle—to stick to principles.

[Lukashenka] Yes.

[Medvedev] Alyaksandr Rygoravich, what don't you like? What don't you like in politics? What is alien to you? What do you find unpleasant? What principles?

[Lukashenka] I hate idle talk and protocols, especially protocols in large numbers, protocols on intent, at a time when specific decisions and specific actions need to be made. That is what is unacceptable to me, the whole essence of that is unacceptable to me.

[Medvedev] You still have to assert yourself in big-time politics. Do you feel free enough as a politician in your first steps? What do you find most difficult now?

[Lukashenka] Sergey Konstantinovich, I feel free enough, having the support of 80 percent, of over 80 percent, of the electorate, that is the first thing. Second, there is a kind of discomfort, if I can put it like that, in my communications with such wise and big-time politicians, such as for instance your president—there is no need to conceal that—but I think that will pass after the first 10 minutes of our meeting. That will pass in time.

As far as the last part of your question is concerned, strange as it may seem, the trust, the huge trust of the

Belarussian people which I have to live up to today weighs heavily upon me. The Republic, its economy, has been brought to such a state that I could not restrain myself, and in my first conversation with Boris Yeltsin, with your president, I asked for assistance, because without the assistance of the Russian Federation, of other republics of the former Soviet Union, of all interested states, it will be difficult for us to get out of the swamp into which we have driven our economy.

[Medvedev] Alyaksandr Rygoravich, let me thank you for taking part in this television bridge, and to express the hope that this will become a good tradition, and that the president of Belarussia will sometimes take part in such a live television link with Moscow at our request.

[Lukashenka] Many thanks to you.

More on Lukashenka-Yeltsin Conversation

WS1807110194 Minsk Radio Minsk Network in Belarusian 1000 GMT 18 Jul 94

[Text] A RID correspondent has learned some details of the telephone conversation between Alyaksandr Lukashenka and Russian President Boris Yeltsin. As was reported earlier, the key result of the phone conversation between the two presidents was an agreement to meet in the first half of August. In addition to this, Lukashenka asked his Russian counterpart to create optimal economic conditions for Belarus, in particular, to issue appropriate orders to Prime Minister Viktor Chernomyrdin. Yeltsin promised to do this, replying that Russia will help the fraternal Belarusian people.

Alyaksandr Lukashenka, in his turn, held out hopes that, in accordance with this agreement, the Kremlin will postpone the settlement of Belarusian debts for a later date and issue interest-free credits to the Republic.

[Words indistinct] Lukashenka held a lengthy conversation with the Russian minister of fuel and energy, during which he discussed oil deliveries to Belarus.

Lukashenka To Deliver 'Extensive' Economic Report 20 Jul

WS1507111994 Minsk Radio Minsk Network in Belarusian 1000 GMT 15 Jul 94

[Text] As has become known to an RID correspondent, after being sworn into office at the Supreme Soviet on 20 July, President Alyaksandr Lukashenka will deliver an extensive report analyzing the current state of affairs in the Republic's economy. Theses for the report are currently being drafted under the supervision of People's Deputy Hanchar.

Says Economy in 'Total Collapse'

LD1507173794 Moscow ITAR-TASS in English 1714 GMT 15 Jul 94

[Report by BELINFORM correspondent Svetlana Kalinkina for TASS]

[Text] Minsk 15 July TASS—Alyaksandr Lukashenka received a certificate of president of Byelorussia [Belarus] at a session of the Central Electoral Commission on Friday [15 July].

According to Lukashenka, his team is now busy tackling two problems—firstly, forming a new government and presidential staff, secondly, solving the country's economic problems.

"Those (mass media) which have already hastily reported that pre-election programme is one thing, and real actions are another, are wrong. I shall not go back on my promises," Lukashenka said.

The first Byelorussian [Belarusian] president confirmed that he is going to cut back bureaucrats by a half within the next six or eight months. The move is aimed, first and foremost, at relieving the enormous pressure on the budget, which runs a 100 percent deficit. In other words, the Republic's treasury is empty.

"Bureaucrats are certainly to blame for the situation. So let us handle them first," he said.

Lukashenka does not plan to reduce personnel of law-enforcement agencies and insists that departments for fighting against organized crime and economic offences resume their activities.

"We thought that we would form the government rather quickly, but now that I am president I have the information which was unavailable for me when I chaired the commission. Corruption is so (widely) spread at the "top," that it is difficult to select people who have not soiled their names. I was perplexed," said Lukashenka.

The Republic's economic problems deprived him of sleep and calmness of late. It happened after he got advisory opinions of such prominent Byelorussian economists as Mikhail Myasnikovich, Sergey Ling, Stanislav Bogdankevich and Stepan Yanchuk [names as received].

"The economy is in a total collapse," he concluded after the meetings.

That is why Lukashenka will deliver a report on actual situation in the Republic at the next parliament session at which he will take the oath of office.

Lukashenka said he will possibly fail to nominate candidates for leading the key ministries by 20 July and intends to appoint acting cabinet ministers by presidential decrees.

He considers it necessary to prepare an extraordinary parliament session in the future, bound to work out extraordinary measures to lead Byelorussia out of crisis.

To implement the most important task of his pre-election programme and "lead the people away from the precipice," Lukashenka intends to join efforts with prominent economists. He said he reached agreements with Grigoriy Yavlinskiy and Leonid Abalkin.

"Economists of various schools will be working (with us). The important thing for us is that they should analyze situation in the Republic within a limited period and work out competent recommendations," Lukashenka explained.

Scores of telegrams were sent out on Friday on behalf of the president to cabinet members, ministers, heads of banks and representatives of the executive branch in the provinces demanding that they restore order and shun wait-and-see policies.

Lukashenka Reviews 'First Steps' of New Government

LD1507164094 Moscow INTERFAX in English 1517 GMT 15 Jul 94

["Exclusive" interview with President-Elect Alyaksandr Lukashenka with unidentified INTERFAX correspondent in Minsk; date not given—from the "Presidential Bulletin" feature]

[Text] IF [INTERFAX]: What are the first steps the new Belarusian Government will take?

LUKASHENKO: In the first place, it will have to tackle outstanding economic problems. Frankly speaking, I did not even expect the economy to be ruined to such an extent. As the head of state, I inherit with no need for exaggeration an appalling legacy: industrial crisis, enormous budget deficit and galloping inflation.

The main task facing myself as president is to try to resuscitate the economy and restore old contacts and open new ones with Russia, other states of the former Soviet Union and more remote countries. My team and I try to examine in depth the state of the economy and get at the heart of the problems in hand.

Greater accent is likely to be made on the development and updating of export-oriented businesses and above all, the light and food industries ensuring higher returns and capital turnover. Then we will be able to stop enriching foreign producers. I am sure we can produce same quality goods.

Next, profit tax must be cut for export producers to boost up the country's exports. The government must give incentives to export-oriented businesses. As a result, we will be able to create a normal manufacturing structure that exists in the world's leading countries.

More than 70 percent of the country's exports is oriented at Russia, that is why Belarus must seek not only to retain, but also expand its eastern market. This will help us to derive revenues to pay for oil and gas imports from Russia.

Despite its verbal declarations of wanting to create joint ventures and multinational companies with Russia so as to share in profits from the end product, the previous government has failed to implement what I think to be a very sensible initiative. By contrast, the new government will focus on this and prove its efficacy in practice.

IF: Why do you think the Kebich government has failed to put the idea in place?

LUKASHENKO: For fairness' sake, the previous government has come up at times with sensible and correct initiatives, the main of which is a closer economic union with Russia. But all of them usually remained on paper or were shelved off by government bureaucrats who were busy trying to resolve their own selfish problems.

Some of them were too busy or unwilling to attend to government business. Solutions to urgent problems were unduly delayed largely because of bureaucratic inertia and irresponsibility. One glaring example is the question of a monetary union with Russia, now more than a year long. The people did not get anything apart from sporadic promises and assurances in the press that the monetary union was about to come to life.

IF: How is the new government going to raise money to create new export-oriented businesses and update older ones?

LUKASHENKO: I rely heavily on foreign investment. The new government will certainly review the laws intended to create a proper investment climate. I assure you we will try to make it the world's best.

I think there must be a review of the taxation policy in respect of foreign investors. It must be more flexible that it is now. It makes no sense to levy the same tax on investment into the manufacture of pharmaceuticals, medical equipment or children's food as on the purchasing and resale businesses.

More importantly, a mechanism must be created to provide investment security regardless of the political situation in Belarus. As president, I am ready to act as a guarantor of foreign investment. I plan to meet soon with representatives of foreign companies and agencies investing heavily in Belarus. What I want is an informal meeting to hear out their grievances about work in Belarus. Such a meeting will be both necessary and useful, I am sure. And it won't take long before the results follow.

IF: Does this mean members of the Kebich government did not want to meet foreign investors?

LUKASHENKO: The question is not one of meetings but results, something I cannot see. In an interview with INTERFAX a few months ago, Vyacheslav Kebich spoke of wanting to review import regulations on some western commodities.

Belarus issued no licences or quotas on the imports of beer, cigarettes and candies from Germany and Holland, which is damaging to the interests of domestic producers. But why does the West impose quotas on this country's exports of potassium and textiles which are in great demand? Why should Parliamentary Chairman

Mechyslav Hryb have to go to Strasbourg to implore Euro MP's for an increase of Belarusian quotas?

The former Prime Minister had threatened to raise the issue with CIS heads of government, let alone retaliate unilaterally. But nothing happened. That is why the West never took seriously any statement from the previous government treating it as rubbish as a rule.

Nothing of the sort will happen while I am in office. The new government will have to abide by the rigid rule of matching word to deed. There will be no justification for inefficiency or mere rhetoric. If I see that a cabinet member or the Prime Minister himself fail to deliver, such people will be dropped from the government.

Orders Stricter Control of Industrial Plants

LD1607161994 Moscow INTERFAX in English 1535 GMT 15 Jul 94

[Text] On Saturday [16 July] Belarussian [Belarusian] President Alyaksandr Lukashenka sent telegrams to heads of local administrations calling "to strengthen control over the activity of the directors of the republican industrial enterprises," a source close to the president reported to INTERFAX.

According to the source, this move was caused by "the attempts of several representatives of the directors corps to compromise Lukashenka's activity by artificial delays in wage payment to workers, by deliberate disruption of deliveries of accessories to the factories, and by creation of unemployment and stoppage of production."

The source asserts that the president's political adversaries "try to make the people think that Lukashenka's staying on the post of the head of the Belarussian state is the cause of crisis phenomena in the Republic."

The source in the interim administration of the Belarussian president who preferred to stay anonymous does not rule out that "several directors have received a corresponding instruction of ex-premier Vyachaslaw Kebich, Lukashenka's contender at the residential elections." Kebich has recently declared that he has given his consent to head the republican confederation of scientific-industrial unions. The source reminded that "the industrial lobby formed the basis of Kebich's pre-election marathon."

At the same time he pointed out that one of the major theses of Lukashenka's pre-election program was the warning to the directorate of the industrial enterprises to relieve of their posts those of them who will not be able to ensure a normal production cycle before 1 January 1995.

Minsk Reports Clinton's Congratulations to Lukashenka

WS1807082994 Minsk BELAPAN in Belarusian 1800 GMT 15 Jul 94

[Text] As has become known, Belarusian President-elect Alyaksandr Lukashenka has received a cable from U.S. President William Clinton congratulating him on his victory in the Belarusian presidential elections. The cable, in particular, points out that the election of Belarusian president is another important step in the development of a democratic independent state. The message reads: "We welcome the decision of the Belarusian people who so persuasively voiced their support for this process, and hope that democratic legislative elections will soon be held."

The U.S. President voiced hope that Belarus will continue its policy aimed at transforming the Republic into a nonnuclear state, and affirmed that the United States will support the steps Belarus will be taking toward this goal, as well as toward reaching a market-type economy.

William Clinton concluded: "I am sure that economic reform alone will guarantee Belarus long-lasting prosperity and the well-being of future generations of Belarusian people."

Party Leaders Comment on Lukashenka Victory

WS1807110294 Minsk ZVYAZDA in Belarusian 14 Jul 94 pp 1, 3

[Report on interviews with Valeryy Yafimaw, secretary of the Peasant Party of Belarus, Aleh Trusaw, chairman of the Social Democratic Assembly of Belarus, and Alyaksey Karol, deputy chairman of the Party of People's Accord, by unidentified BELINFORM reporters; places and dates not given: "Are Changes Round the Corner?"]

[Excerpts] Which adjectives have not yet been used when commenting on the results of the presidential runoff elections—"unexpected," "astounding," "sensational...." What is the reaction among leaders of parties and public organizations? BELINFORM correspondents have tried to clarify this issue by interviewing several popular Belarusian politicians. [passage omitted]

[Yafimaw] It is no secret that on the eve of the runoff our bloc supported Alyaksandr Lukashenka, therefore, we are glad that he won. It depends solely on Lukashenka as to whether this attitude will remain unchanged, in particular, on how the president will resolve issues related to the Belarusian agricultural-industrial complex. In my opinion, he will continue encouraging the establishment of closer economic union with Russia because this is the foundation of his economic platform. It seems to me that the new Ukrainian president will do the same. We are expecting significant changes if not in the CIS in general, then, at least in relations among Slavic states and, by the way, we have long ago stressed the importance of this in a joint declaration issued by the Peasant Parties of Russia, Ukraine, and Belarus. [passage omitted]

[Trusaw] Electing Alyaksandr Lukashenka implies a victory over the Kebich government. Therefore, the people have voted not for Lukashenka but against Kebich. [end Trusaw]

A. Trusaw stated that he does not see Lukashenka as having either a constructive program to overcome the crisis or a team able to do this. In addition, the first Belarusian president inherited a country in crisis. Despite all this, Belarusian Social Democrats are going to support the president in his moves directed at ensuring economic reforms and the independence and revival of the Belarusian people.

"The results of the elections of the first Belarusian president were, in fact, a reaction by the Belarusian people to the situation in which they found themselves. The people gave a mandate of immense trust to a person who promised to instill order in the Republic," said Alyaksey Karol, deputy chairman of the Party of People's Accord [PNZ].

PNZ, as opposed to many other parties, believed that the runoff should be held because it is not allowed to mock the Constitution and it is necessary to respect the people's right to make a choice, he stated. Since the first Belarusian president has been elected, PNZ's stance is to support the legally elected president, while reserving the right to join the opposition if the policies of the new government are not in the people's interests. PNZ is continuing to advance the idea of maintaining public civic accord and holding consultations with all political forces to formulate a game plan for overcoming the crisis.

Constitutional Court: President To Strengthen State Power

LD1507220394 Minsk Belarusian Foreign Ministry Department of Information in Russian 1507 GMT 15 Jul 94

[Text] A statement of the Belarusian Constitutional Court has been published. It says that the Constitutional Court believes the elections of the Belarusian President will benefit the strengthening of state power, will give it a new quality, and will revive its authority among people. In accordance with the Belarusian Constitution, the democratically elected president will take upon itself the responsibility over the situation in the state and society. The convincing victory in the elections is proof of the people's trust in the president, which must be justified. The Belarusian Constitutional Court states its resolve to defend the constittion, laws, and international legal acts that have been ratified by Belarus. The court expresses its confidence that the Belarusian presidnet, being the main guarantor and protector of human and civil rights and freedoms, will comply with the Belarusian Constitution and laws and will do everything possible for quicker stabilization of the economy and improvement of life of people.

Supreme Soviet Adopts Various Resolutions

LD1507215894 Minsk Belarusian Foreign Ministry Department of Information in Russian 1507 GMT 15 Jul 94

[Text] A sitting of the Presidium of the Belarusian Supreme Soviet has been held under the chairmanship of M. Hryb. It was decided to take into consideration the statement of the prime minister and members of the Council of Ministers on their resignation. The government has been instructed to carry out its functions until a special session of the Supreme Soviet will accept the president's oath on 20 July. A resolution "on provision of transferring to the Belarusian railways of all the stations and sections of the railways, which are situated on the territory of Belarus, but are subordinated to the Lithuanian railways," was adopted. By that resolution the Councl of Ministers is charged with transferring the balance of the Belarusian railways of all stations that until now have been operated by the Lithuanian side. In the event of delay with solving the issue of the station of Gadutishki, the government is instructed to foresee the possibility of laying an additional, parallel railway section in the regions of the station on the territory of Belarus.

To protect the interests of Belarus and its security, the Presidium has adopted a resolution "on types of property that cannot be denationalized and privatized." The resolution "on a Russian-Belarusian program of creation of an airplane of general purpose" was also adopted. A resolution on succession of Belarus in the relations of the agreement between the Canadian and USSR Governments on avoiding double taxation of income was adopted. The Presidium has issued an order to award V. Bykaw the medal of F.Skaryna for his considerable contribution to developing Belarusian literature and arts and national revival. A decision was taken on preparing necessary documents for Belarus' entry to the Interparliamentary union. A plan of events for marking Belarus' Independence Day was confirmed. In compliance with the state program of priority measures for strengthening the fight against crime and to strengthen monitoring over the implementation of the laws for protection of motherhood and childhood and the legislation on the under-age by the procurator's offices it was decided to increase the staff of procurator's offices and bodies of Belarus' Procurator's Office by 50 employees.

Myasnikovich Said No Longer Seen as Possible Prime Minister

WS1807082194 Minsk BELAPAN in Belarusian 1300 GMT 17 Jul 94

[Text] According to sources close to the Belarusian leadership, First Deputy Prime Minister Mikhail

Myasnikovich is no longer viewed by the Lukashenka team as a candidate for the post of prime minister. Myasnikovich's name was removed from the candidates' list after certain materials were received from the offices of state security. It is not ruled out, however, that Myasnikovich may soon be appointed ambassador to a foreign state.

Moldova

Dniester Accuses Russian Army of 'Subversive Activities'

LD1607133994 Moscow ITAR-TASS in English 1319 GMT 16 Jul 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinyov [Chisinau] 16 July TASS—The parliament of the self-proclaimed Dniester Republic of Moldavia [Moldova] has accused the 14th Russian Army stationed in the Republic of "subversive activities."

In a letter to the Russian leaders sent on Saturday [16 July], the Dniester Parliament said that Army soldiers "have united opposition elements around themselves," warning that this may "lead to considerable human losses."

14th Army military commandant Mikhail Bergman told ITAR-TASS that an investigation conducted by Russian intelligence officers has confirmed that Dniester authorities sent militants to Moscow to back up rebels in Moscow's October 1993 revolt.

Army Commander General Aleksandr Lebed will not even comment on the Dniester Parliament's letter as it has been written by people "whose place is in jail," he said.

NATO Assembly Leader Says Europe Wants Independent Moldova

LD1707134794 Moscow ITAR-TASS in English 1319 GMT 17 Jul 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinyov [Chisinau] 17 July TASS—NATO parliamentary assembly Chairman Loic Bouvard arrived in Kishinyov on Sunday [17 July] to pledge support and assistance to Moldavia [Moldova] to make it join the European family of nations as an independent and undivided country.

Bouvard who is in Moldavia on a two-day official visit stressed that Moldavia's participation in the NATO parliamentary assembly and the Partnership for Peace programme as an associated member is very important for the Republic.

Moldavia has a special geostratigic position as it is situated at the crossroads of the spheres of influence of great powers. Bouvard pointed out that the assembly is aware of the problems facing Moldavia, including the self-proclaimed Dniester Republic and Russian military presence in the Republic.

During the visit, Bouvard plans to study the social and political situation in the Republic and meet with the parliament leaders, the prime minister, and the foreign and defence ministers.

Guards Occupy Bender Fortress, Tiraspol Calls in Reserves

AU1607144094 Chisinau BASAPRESS in English 1949 GMT 12 Jul 94

[Text] Tighina (Bender), BASAPRESS, 12/7/1994—Today, the Joint Control Commission (CCU) held a session in Tighina (Bender). After the withdrawal of the Russian military subunits, the Tighina (Bender) fortress was occupied by Dniester military troops, stated General Victor Catan, Moldovan vice minister of interior, during the session. Russian, Moldovan and Dniester military representatives decided to verify this information. However, Dniester presidential representative Tom Zenovich did not permit the CCU representatives to enter the fortress. Additional protecting parapets were hastily erected in front of the fortress gates. Sources from Tiraspol security say that 300 Dniester guardians and a group of military instructors were deployed in the fortress. On 11 July at 0100, a ZIL-131 lorry with the plate number RG 4907 entered the fortress. It is assumed that it was carrying "Muha" mortars manufactured at the local plant "Pribor."

The Tighina (Bender) military commissariats subordinated to the war ministry of the self-proclaimed Dniester Republic are summoning reserves, reported to BASA sources from the Tighina (Bender) administration. The reserves are organized by Dniester guards for a period of training. The same sources say that persons who do not respond to the call will be fined and even imprisoned. "Tens of the city's Moldovan inhabitants received such summons. They prefer to address us for help," stated to BASA Tighina police commissar, Valeri Prudnikov. In Prudnikov's opinion, such actions are violations of human rights and should not be overlooked by international organizations operating in Moldova.

Kazakhstan

Nazarbayev Edict Reduces Number of Senior Officials

LD1707154694 Almaty Kazakh Radio Network in Kazakh 1400 GMT 17 Jul 94

[Text] In order to improve the state power structure and to reduce expenses for their upkeep, Kazakh President Nazarbayev issued the following edict: As of 1 September 1994, the number of senior official designations on the republican level will be reduced by 25 percent and on the local level by 15 percent.

Economy Minister Relieved; Investigation Pending

LD1507160394 Almaty Kazakh Radio Network in Russian 1400 GMT 15 Jul 94

[Text] Today, according to the state advisor Kairbek Suleymenov, at a sitting of the Republic's Security Council chaired by President Nazarbayev a statement of the Prosecutor General was discussed, inter alia, on the necessity for economy minister Mars Urkumbayev to relinquish his post. The grounds are as follows:

The Prosecutor General Office is investigating a criminal case with regard to some facts that minister Urkumbayev breached the law several times while serving as head of the Shymkent oblast administration. The minister's relinquishment of his post is dictated first of all by the necessity to rule out his possible influence on the progress of investigation, using his position. The state advisor said that Nazarbayev had signed the decree on temporary relief of Urkumbayev of his post until the end of the investigation. The journalists were told that the minister had displayed understanding of the situation. He said that the Prosecutor's Office had arrived at unobjective conclusions. The minister intends to use this period of suspension to prepare [passage indistinct]

Nazarbayev Seeks Improvement in Criminal Code

LD1507192294 Almaty Kazakh Radio Network in Russian 1400 GMT 15 Jul 94

[Text] State advisor Kairbek Suleymenov held a news conference on the statement made by President Nazarbayev on improving several laws and enforceable enactments. This has been necessitated by the fact that of late, crime has acquired a tougher and more covert and organized nature. For this reason the president signed and submitted for the consideration of the Supreme Kenges a draft law on changes of the criminal and criminal-procedural codes.

Tereshchenko Visits Pavlodar, Tours Business Sites

LD1507185094 Almaty KAZTAG in Russian 1430 GMT 15 Jul 94

[Text] Kazakh Prime Minister Sergey Tereshchenko, who has arrived in Pavlodar, visited the furniture making joint stock company, Aray, as well as a number of other Pavlodar's works on 14 July. Tereshchenko also visited the construction site of a cable plant, which is being build on the basis of the several shops of the defense industry. It will be build within a period of 1.5 years. A contract, which was signed with an Italian company for the sum of $24 million, will be paid back in two years after the commissioning of this enterprise. With a view to put it into operation within a specified time, Tereshchenko emphasized the need for builders to search for new resources and show more initiative and consistency. With regard to the government's support, it will be rendered depending on the available resources, he said.

A two-day long republican seminar on the problems of privatization has been held later, chaired by the prime minister. The prime minister noted that economic reforms could be implemented if privatization is boosted. The government will strengthen control over the process of dismantling state ownership, and this will bring its fruits, he stated.

Central Asian Premiers Appoint Interstate Council Chairman

LD1607105394 Almaty Kazakh Radio Network in Kazakh 0800 GMT 16 Jul 94

[Text] With a view to implement the accords reached by heads of state over their 8 July meeting on setting up an interstate council and its bodies, the Council of Prime Ministers of the Republics of Kazakhstan, Uzbekistan, and Kyrgyzstan has appointed Yerik Dozhan-Uly Prisbekov the chairman of the executive committee of the interstate council.

National Bank Chief Predicts Lower Inflation

LD1707194494 Moscow Radio Rossii Network in Russian 1900 GMT 17 Jul 94

[Text] The chairman of the board of Kazakhstan's National Bank, Daulet Sembayev, reckons that inflation in the republic could fall to between five and seven percent by the end of the year. He said that over the last two months the bank had managed to achieve relative stability in the exchange rate of the national currency against the dollar. According to official statistics, inflation in Kazakhstan was 31 percent in May.

National Bank Plans To Reduce Inflation

LD1707131894 Moscow INTERFAX in English 1252 GMT 17 Jul 94

[Text] Kazakhstan's National Bank plans to reduce inflation in the former Soviet republic, which in May reached 31 percent, to between 5 and 7 percent by the end of the year, the bank chairman said.

Daulet Sembayev told INTERFAX that, over the last two months, the bank had ensured a relatively stable value of the national currency, the tenge, against the U.S. dollar. During June the tenge went down by 6.3 percent.

Youth Unemployment, Crime Predicted To Increase

LD1707104794 Almaty Kazakh Radio Network in Kazakh 0100 GMT 17 Jul 94

[Text] Unemployment has recently been growing too quickly in the Republic. About 25,000 people are expected to lose jobs during the second half of 1994. Most of them are young people, especially rural youth from impoverished villages who flee to towns. They do not study or work, and no one cares about their plight. All of this results in an increased crime rate.

Health Care Cooperation Accord Signed With Iran

LD1507193894 Almaty Kazakh Radio Network in Russian 1400 GMT 15 Jul 94

[Text] Today at the Public Health Ministry, an agreement was signed on cooperation in health care and medical research between the Health Ministries of Kazakhstan and Iran. At a news conference after the signing, the results of the three-day visit by the Iranian health minister to Kazakhstan were summed up.

Following the meeting between the Iranian health minister and Prime Minister Tereshchenko an accord was reached that the government will allocate hard currency for our ministry to buy medicines in Iran. In its turn, Kazakhstan will [passage indistinct]

Kyrgyzstan

Akayev Views 'Crisis' in Judicial System

LD1507120694 Moscow INTERFAX in English 1017 GMT 15 Jul 94

[Text] The judicial system of Kyrgyzstan is in a crisis, President Askar Akayev told the first congress of judges in Bishkek on Friday [15 July].

He said that "the lack of control over courts and their irresponsibility has acquired catastrophic dimensions." President Akayev believes that the courts "no longer protect the rights of citizens and have lost credibility with the people."

President Akayev said he was certain it would be necessary to completely restructure judicial bodies and added he would ask parliament to reconsider current legislation and the Constitution. President Akayev suggested replacing the constitutional Court and the Court of Arbitration with a constitutional chamber and a chamber to resolve economic disputes within the framework of the Supreme Court.

President Akayev criticized parliament. He said that Kyrgyzstan's parliament had assumed control functions alien to it and that was running counter to its legislative functions.

President Akayev angrily recalled that nearly a year ago he had submitted to parliament a law on referendum and that the adoption of the law had been delayed at least until the autumn. President Akayev said that parliament had failed to pass a law on local self-government, without which there could be no civic society or civilized statehood.

President Akayev believes it would be necessary to establish a two-chamber parliament, consisting of a 56-member legislative assembly working on bills on the permanent basis, and an upper chamber, representing territories. President Akayev believes this would not only ensure the normal activity of parliament, but the full representation of the people.

For details of President Akayev's address to the judges' conference see INTERFAX's Presidential Bulletin of 15 July.

Calls for 'Sweeping Legal Reform'

LD1507191694 Moscow INTERFAX in English 1517 GMT 15 Jul 94

[From the "Presidential Bulletin" feature: Reports by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] Addressing the first convention of Kyrgyz justices of peace in Bishkek Friday [15 July], President Askar Akayev pointed to the need for a sweeping legal reform.

In his view, moves to revamp the legal system made sense. The parliament, he said, should consider amending the existing legislation and Kyrgyz constitution in order to replace the constitutional court and the court of arbitration with a supreme court which is to divide into a constitutional chamber and a chamber for the solution of economic disputes.

Akayev wanted the Prosecutor's Office to play a somewhat different, and the attorneys—a bigger, role in Kyrgyzstan.

The legal system must enjoy self-rule, he said, and regularly held conventions of justices of peace would, in his view, elect a council and an administrative body in charge of personnel and economic issues.

Akayev saw the state of affairs in the legal field as critical. He described the unaccountability and irresponsibility of courts of justice as catastrophic. He said courts of justice had, in fact, stopped defending the cititens', businesses' and government's rights and had lost their former repute. They had come to work worse than they did under totalitarian Soviet rule, he said.

It was his impression that most justices of peace failed to understand their role in the country's political system. The backsliding legal system, he said, created an atmosphere of impunity and reduced to zero all efforts by the Legislative Branch.

Democracy was out of question in the absence of a strong judiciary, Akayev said, and Kyrgyzstan would emerge as a real democracy only when its Judiciary, Legislative and Executive Branches had attained real equality.

Addressing the congress, Akayev spoke in favor of adoption of "a principally new decree on mass media." In his words, this document should in detail determine mass media's status, the order of their registration, and cessation of their activity.

The press should be limited by a system of concrete restrictions and counterbalances, Akayev declared. He underlined that he does not reject freedom of press. He believes that it is one of the major attributes of democracy which has ensured the Republic's recognition on the part of the world community.

However, freedom of press should not be free from responsibility because mass media really affect political processes. The press cannot punish but can subject to ostracism, it cannot make somebody do something but can mislead," Akayev noted.

As he said, at present the press acts in the atmosphere of "irresponsibility and impunity," many Kyrgyz newspapers publish "gross and scurrilous libel." Akayev drew attention to the fact that some republican editions, which call themselves popular newspapers, do not publish any information which would tell about "activity of industrial and agricultural workers, of scientific, cultural and art functionaries."

Akayev believes that activity of the majority of newspapers is aimed at destabilization and systematic destruction of the grounds of our national statehood, stirring of social conflicts and clashes between various political groupings. According to Akayev, today "mass media play the role of a mouthpiece of several politicians. Due to the connivance of juridical bodies it has transformed into an anti-democratic force from a democratic instrument."

As an example, Akayev mentioned the newspaper SVOBODNYE GORY (FREE MOUNTAINS) published in the Russian language: "In every issue it regularly wages a purpose-oriented discrediting of the legitimate power undermining its authority with stubbornness which deserves a better utilizatiion. From issue to issue it throws mud at the Kyrgyz president in a good Russian language. Under the decree on mass media now in force it insults not a single person but "the civil conscience of the people." It admits unpunished and impudent attacks on representatives of other foreign states and their state symbols, this leads to worsening of inter-state relations, including the countries which render a disinterested assistance to Kyrgyzstan."

Akayev made a conclusion: "Impunity of newspapers gives birth to impudence and immorality." He believes that under the decree on mass media there are appropriate grounds to solve the issue on the cessation of the activity of the newspaper SVOBODNYE GORY by means of court.

Akayev Calls for Law To Regulate Mass Media Activities

LD1507090494 Moscow ITAR-TASS in English 0829 GMT 15 Jul 94

[Report by ITAR-TASS correspondent Albert Bogdanov]

[Text] Bishkek 15 July TASS—Kyrgyz President Askar Akayev has called to adopt a law regulating the activities of the Kyrgyz mass media and determining its legal status.

Addressing the republican congress of judges, Akayev said that a number of Kyrgyz publications contain unscrupulous and impudent attacks on leaders of foreign states and state symbols, which has already considerably marred Kyrgyz interstate relations with other countries, including those rendering assistance to Kyrgyzstan gratis.

Akayev first brought up the subject of the lack of control over the press two days ago at a news conference devoted to the Alma-Ata [Almaty] summit. Akayev pointed out then that it's time to ensure order and bar outrageous, groundless criticism and attacks from the press.

Completing his speech today, Akayev said that real steps towards democracy in Kyrgyzstan will primarily depend on the level to which courts of justice will be brought to defend the rights and interests of our citizens," Akayev said.

Prime Minister Dzhumagulov's Visit to U.S. Outlined

LD1707130594 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 16 Jul 94

[Text] Kyrgyz Prime Minister Dzhumagulov's visit to the United States will last six days. He will meet the leadership of international financial institutions to agree on concrete plans for opening credit lines, which were discussed in Paris at the consultative meeting in June this year. In addition, the prime minister will participate in five programs to issue tenders for prospecting for and recovering oil and gas in Kyrgyzstan. Apas Dzhumagulov has been invited to the launch as a researcher and oil geologist, and the author of several books on oil and gas-bearing mountainous depressions in the Republic. His visit is financed by the American-Russian Ural Oil company. The delegation led by the prime minister includes the director general of the Kyrgyzneft oil amalgamation, the head of the Kyrgyzneft geophysical laboratory, the general director of the geodynamics institute of the Russian Academy of Sciences, and the president of the Saratov oil and geophysics joint stock company.

Central Asian Association Established in Tashkent

LD1607134594 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 15 Jul 94

[Text] A Central Asian association for developing entrepreneurship has been set up thanks to joint efforts by entrepreneurs from Kazakhstan, Kyrgyzstan, and Uzbekistan. Their representatives recently held a meeting in the Issyk-Kul region. They also set up the council of the association, consisting of five representatives from each Republic, as well as the governing board, which has its headquarters in Tashkent. It will have branches in Almaty and Bishkek.

The association appealed to the region's leaders and entrepreneurs to cooperate closely with each other in order to create a single economic area in Central Asia. A good example has been set by the presidents of Kazakhstan, Uzbekistan, and Kyrgyzstan.

The council's next meeting is scheduled to be held in September. By this time, each side should prepare proposals on specific aspects of cooperation.

Government Signs Aid, Cooperation Accords With Germany

LD1607110594 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 15 Jul 94

[Text] A number of documents were signed today by the Kyrgyzstan Government and a German delegation. Cooperation between the two countries started before Kyrgyzstan was recognized as a developing country. The allocation of preferential credits has now become possible. In 1993 alone Germany granted 15 million German marks [DM] (?to the agriculture and textile) industries.

Trade and Industry Minister Andrey Iordan and Mr. Hans Peter Repnik, parliamentary secretary of the German Ministry for Economic Cooperation, signed a document on the results of intergovernmental talks on financial and technical cooperation between Germany and Kyrgyzstan.

An agreement on allocating a loan of DM18.5 million was signed by the Kyrgyz finance minister and [name indistinct], head of the credit department of the European Bank for Reconstruction and Development. The credit has been allocated on preferential conditions—a 0.75 percent (?interest rate) over 40 years [words indistinct].

The third document is with the German Credit Bank for the sum of DM1.5 million. At issue is the creation of a fund of experts and studies. It was signed on the Kyrgyz side by (Kalymkulov), deputy chairman of the State Investment Committee. This sum is allocated as a grant. Germany has allocated another DM6.6 million as a grant for technical assistance.

Repnik noted that the German Government intends to support the course of reforms in Kyrgyzstan.

Germany To Grant DM26.6 Million This Year

LD1507141894 Moscow INTERFAX in English 1252 GMT 15 Jul 94

[Text] This year the German Government will grant Kyrgyzstan a low-interest credit of DM 18.5 million to be repaid within 40 years, and grants totalling DM 8.1 million to support and develop the country's economy. The relevant intergovernmental agreement was signed in Bishkek on Friday [15 July].

The chairman of the joint German-Kyrgyz commission for economic cooperation, Andrey Yordan, told the Financial Information Agency that the long-term credit will be granted at annual interest of 0.75 percent for 40 years with a 10-year deferment of payment.

The funds will be used to support private businesses, small and medium-size (8.5 million DM), and to produce gas meters (10 million DM). The grants (gratuitous aid) totalling 8.1 million DM are designed to pay for consultations to be given by German experts.

Hans P. Mussig of the Kreditanstalt fur Wiederaufbau Bank said that DM 10 million will lie in reserve to be granted only when German specialists inspect the Zhanar plant which is to launch the production of gas meters. If the experts decide that the conditions for launching production are unsatisfactory, the funds will not be allocated.

Last year, Germany granted Kyrgyzstan credit of 15 million DM for 30 years at 2 percent a year to support farming.

Economic Results for First Half of 1994 Released

LD1707155594 Bishkek Kyrgyz Radio First Program Network in Russian 2300 GMT 16 Jul 94

[Text] The national economic achievements and effecting of the Kyrgyz Republic's budget in the first half of 1994 were discussed at an expanded session of the government with the participation of the leadership of the oblast, rayon, and city state administrations, ministries, and departments. Muraliyev, chairman of the State Committee for Economy, described the economic situation in the Republic and cited a number of factors which aggravate the unfavorable situation in industry and agriculture.

The first half year results show that Kyrgyzstan has again failed to reach the planned targets. The state budget has been effected to 69 percent, and 73.4 percent of taxes have been collected. The industrial decrease is 52.2 percent compared to last year's level. Only late in June has a shift toward positive changes become notable, owing to the vigorous measures adopted taken by the government and the president in the spring, when they passed a number of decrees and resolution on agriculture, financial discipline, and others.

Industrial production growth has manifested itself—from 64 percent in April and May to 73 percent in July. The inflation rate decrease to 3.5 percent is also positive, and serves as an impact for invigoration of the economy. However, overall, the rates of its convalescence have not reached the forecasted figures, and this causes anxiety, because the second half of the year has a much more intensive plan to be fulfilled. Restructuring of the economy should begin in the second half of the year. This will bring about new social problems which will have to be tackled, at least to some extent. The republic has more than enough urgent social problems without any new ones. The living standard in Kyrgyzstan is almost two times lower than in other CIS states. Almost 70 percent of kyrgyz citizens are below the poverty line. Because of delayed labor payments, pensions, and benefits, the situation in society is growing much more tense. Some enterprises are even setting up industrial action committees.

Industry and Trade Minister Iordan says that the debts of enterprises are the main reason for the jammed financial system. They have practically grounded the whole banking system of the Republic because of 400 million soms worth of credits still not returned to the banks. The enterprises of Iordan's ministry only owe 429 million soms.

Beyond the borders of the Republic they have 380 million soms. The amount of overstocked products has trebled in comparison with February. Deferred payments, the disrupted functioning of all systems, write-offs, and other one-time measures cannot solve the problem. Urgent measures are necessary to improve the situation, and in the framework of one ministry they cannot be taken. Every department in its sphere should tackle its problems quickly and in the spirit of a free market. In this case the situation could be changed. This concerns the tax inspectorate's work, the agricultural reform, which is very languid now, and the lack of coordination between the taxation and customs policy. Speakers from oblasts, rayons, and cities, Education Minister Kakeyev, Muratalin, chairman of the state nature preservation committee, Akineyev, chairman of the national statistical board, Sydykov, director general of the Kyrgyz bakery products amalgamation, and Abduraimov, chairman of the council of the trades union federation, touched upon the problems of fresh water for the population, environmental protection, and named top priority social needs, including the construction of schools, which currently is at a complete standstill.

Also at issue was the necessity for detailed and reliable statistical data needed by the government for making economic forecasts and adopting various programs. Prime Minister Apas Dzhumagulov spoke at the government's session. He raised the issue of the leadership's responsibility for the tasks given to them and the necessity for a systematic account and control over implementation of plans. Resolutions were passed at the session aimed at fully levying taxes and payments, the timely financing of social [word indistinct], and stabilization of the financial and crediting system of the Republic.

Tajikistan

Rakhmonov Concludes Visit to Leninabad Oblast

LD1607104594 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 15 Jul 94

[Text] Emomali Rakhmonov, head of state and chairman of the Supreme Soviet of Tajikistan, today arrived in the city of Khujand, which is the capital of Leninabad Oblast, following meetings with workers in Aini, Panjakent, Zafarabad, and Asht towns and rayons. Here is a telephone report from our correspondent Sadreddin Shamseddinov on the results of the visit of the head of state to this historic city:

[Shamseddinov] A republican conference of agricultural workers was held in the palace of culture of the Urunkhojayev farm in Khujand rayon. The conference was attended by leaders of farms and executive committees from the 43 rayons of the Republic. Over the past two to three days, the participants in the conference have met with workers and studied field work in the farms of the towns and rayons of Leninabad Oblast.

The head of state was accompanied at the conference by Jura Shokirov and Bozgul Dodkhudoyeva, deputy chairmen of the Republic's council of ministers, and by leaders of ministries and departments.

The conference adopted an appeal to all workers in the Republic to seek better ways of utilizing the land in order to take the republic out of its difficult economic situation.

In a speech at the conference, the head of state spoke of his visits to farms in Asht, Zafarabad, Aini, and Panjakent rayons. He said that despite the lack of fuel and fertilizer supplies and shortages of other (?goods), work in the fields is moving ahead and progress has been noticeable.

Following the conclusion of the republican conference of agricultural workers, a meeting of (?activists) was held in the conference hall of the oblast's executive committee.

Solehkhojan Mahmudov, leader of the oblast and chairman of its executive committee, addressed the meeting. Khujand Mayor Abdullojonov then spoke about the situation in the city and on issues needing solutions.

The head of state asked the audience to ask questions on issues concerning them. He replied to all the questions raised and said that he attaches high value and trust to the honest work of the people of Khujand city. In his speech the head of state spoke on the forthcoming regular session of the Supreme Soviet, which will be held in Dushanbe on 20 July. He also said that the Republic's speedy entry into the ruble zone is in the interests of the (?country), and that the state and government leadership is taking all measures to see the Republic joining the ruble zone in the coming months and to solve the problems facing the people and the government as soon as possible.

The head of state returned to Dushanbe from Leninabad the same day.

Russian Border Troops Commander Arrives in Dushanbe

LD1607092394 Moscow Radio Rossii Network in Russian 0800 GMT 16 Jul 94

[Text] Colonel General Andrey Nikolayev, commander in chief of the Russian border troops, has arrived in Dushanbe on a brief working visit. He will familiarize himself with the situation on the Tajik-Afghan border and the implementation of the measures aimed at strengthening the CIS southern borders.

In a short interview on the tarmac, Nikolayev said that during meetings with the Tajikistan leadership issues of further intensifying the Tajik-Afghan border and problems of internal political stabilization in the Republic would be discussed. In his words, the Russian Government is very concerned that the talks on the settlement of the inter-Tajik conflict have not yet brought the stabilization of the situation in Tajikistan. More effective measures are needed in this respect.

Nikolayev has had a confidential conversation with the head of Tajikistan, Emomali Rakhmonov.

Rakhmonov Receives Commander

LD1607125794 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 16 Jul 94

[Text] Colonel General Andrey Nikolayev, commander in chief of the Russian Federation Border Troops, arrived in Dushanbe on a working visit yesterday.

He was welcomed at the capital's airport by Council of Minister Chairman Samadov, Russian Ambassador Senkevich, and other officials.

In a short interview for [words indistinct], Nikolayev said he intends to settle a number of issues, in particular the recruitment of staff, the financing, and the material and technical supplies for the Russian border troops in Tajikistan.

Emomali Rahmonov, head of state and chairman of the Tajik Supreme Soviet, yesterday received Andrey Nikolayev, commander in chief of the Russian Federation Border Troops, who has arrived in our country on a working visit. During their meeting, which was held in an atmosphere of mutual understanding, they discussed the situation on the Tajik-Afghan border and measures for its stabilization.

Russia, Tajikistan, Others Sign Border Control Accord

LD1607132294 Moscow Radio Moscow World Service in English 1100 GMT 16 Jul 94

[Text] Russia, Uzbekistan, Tajikistan, and Turkmenistan have signed an agreement on joint control of the CIS southern border. The news was broken to RIA news agency by the Russian Border Guards' Supreme Commander General Andrey Nikolayev.

As result of the Tashkent talks, an agreement was also signed permitting the use of the Uzbek national territory to supply Tajik-based Russian border units.

General Nikolayev is on the Tajik-Afghan border today reviewing the situation. Russian border guards in Tajikistan are a habitual target of violent assaults from the Afghan mojahedin and the Tajik armed opposition fighters. General Nikolayev is to have talks with the Tajik Prime Minister Abdulmadjid Samadov.

Russian Troops Prevent New Armed Attempt To Cross Border

LD1607140294 Moscow ITAR-TASS in English 1345 GMT 16 Jul 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 16 July, TASS—Russian border guards prevented yet another attempt to cross into Tajikistan by a large group of armed opposition militants from neighbouring Afghanistan last night.

Informed military sources in Dushanbe told ITAR-TASS on Saturday [16 July] that border guards opened mortar fire on the intruders. Casualties are unknown.

In other sections of the Tajik-Afghan border the situation remains also tense. Sources reported that opposition forces are moving closer to the border. Earlier reports indicated that about 250 militants had been concentrated on the border. The opposition has not taken any action yet, but the on-going preparations leave no doubt about its plans to launch new armed provocations against Russian border guards soon.

Several Attacks Reported on Tajik-Afghan Border Overnight

LD1707121194 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 17 Jul 94

[From the "Novosti" newscast]

[Text] The POSTFACTUM agency reports that last night [16-17 July] Tajik mojahedin made three attempts to capture the strategic Sunk [as heard] position in the sector covered by the 12th border post of the Moskovskiy border detachment. The fighters' attacks were jointly fended off by Russian and Tajik border guards.

Also last night, small groups of fighters attempted to cross the Pyanj frontier river from Afghanistan in the sectors covered by the 10th and the 11th posts of the Pyanj border unit. Russian border guards fired a series of mortar rounds at spots where they had concentrated. There were no casualties among the guards while nothing is known of fatalities among the mojahedin.

Labor Minister Receives Special Envoy From Afghanistan

LD1507104794 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 14 Jul 94

[Text] Shukurjon Zuhurov, labor and employment minister of the Republic today received Ashraf Shah, the special envoy and head of the economic department of the office of the head of state of Afghanistan.

During the course of friendly talks both sides discussed the situation on the Tajikistan-Afghanistan border, the repatriation of Tajik refugees, and other important issues.

Ashraf Shah [word indistinct] stressed that the Government of Afghanistan would continue to provide assistance to the Tajik refugees returning to their homes.

Zuhurov expressed gratitude to the Afghan envoy for the direct assistance by the Islamic state of Afghanistan to the [words indistinct].

Uzbekistan

Government Resolution on Developing Banking System

LD1607082794 Tashkent NARODNOYE SLOVO in Russian 14 Jul 94, p 1

[Resolution of the Cabinet of Ministers of the Republic of Uzbekistan on measures to lend financial support to developing the banking system of the Republic of Uzbekistan]

[Text] With a view to developing further the banking infrastructure and to raising the efficiency of the work of banks to international standards, the Cabinet of Ministers decrees:

1. All commercial banks, regardless of form of ownership, including those in which foreign capital is involved, and also branches and missions of foreign banks on the territory of the Republic of Uzbekistan, shall be exempt from paying budgetary taxes until 1 January 1996 in accordance with the attached appendix.

2. Banks shall direct the resources thus released to:

—Set up intrabank local computer networks and interbranch modem communication lines, and develop and acquire modern program products for automatic processing and accounting of banking operations;

—Introduce electronic mail ensuring the automation of accounting and of receipt of ready cash;

—Create an automated system of interbank settlements;

—Strengthen the material and technical base, expand the network of branches and exchange points;

—Enlist the services of foreign consultants;

—Organize the training and instruction of banking personnel.

The state taxation committee of the Republic of Uzbekistan shall strictly monitor the use for special purposes of resources for the development of the banking infrastructure and shall report to the government of the Republic every quarter.

3. The Ministry of Finance and the State Taxation Committee of the Republic of Uzbekistan shall introduce the relevant changes in the instructions on taxation issues.

4. V.S. Khamidov, deputy prime minister of the Republic of Uzbekistan, is charged with monitoring the implementation of this resolution.

[signed] Council of Ministers Chairman I. Karimov. [dated] Tashkent 13 July 1994

Appendix to Resolution of the Cabinet of Ministers [subhead]

List of types of budgetary taxation from which commercial banks are exempt until 1 January 1996:

1. Tax on enterprises' income.
2. Tax on enterprises' property.
3. Land tax.
4. Tax on owners of means of transport.
5. A 20-percent depreciation allowance.

Cabinet of Ministers Freezes Savings Accounts

LD1707085394 Moscow Mayak Radio Network in Russian 0800 GMT 17 Jul 94

[Text] Uzbekistan's Cabinet of Ministers has forbidden banks to issue cash apart from salaries, pensions, and grants. The adopted resolution on measures to reduce cash in circulation does not envisage payment of vacation allowances and bonuses and also prohibits inhabitants of the Republic to withdraw money from their savings accounts.

Review of Foreign Investment Legislation

LD1707133094 Tashkent BIZNES VESTNIK VOSTOKA in Russian 15 Jul 94 p 6

[Foreign Investment Review of Republic Of Uzbekistan Legislation by Roman Glushkov, expert at the Aviabrok-Konsaud Company, using the PRAVO law information service]

[Text] An active process of creating and improving the Republic of Uzbekistan's legislation aimed at attracting foreign investment is one of the main features of the move to a market economy. Legal norms providing reliable guarantees for foreign investors are being further developed.

The Republic of Uzbekistan has acceded to international legal treaties and agreements protecting foreign investments and defining how disputes connected with them should be resolved.

A system of international and interstate treaties to regulate the general principles of trade and economics and also investment cooperation is taking shape, and is significantly influencing attraction of investment.

The Republic of Uzbekistan has concluded agreements with Germany, India, South Korea, Turkey, Indonesia, Malaysia, and Israel on encouraging and reciprocally protecting investments.

Foreign investments in the Republic of Uzbekistan enjoy the protection of the state and the law. The legal framework for foreign investment cannot be less favorable than that applied to individuals and corporates of the Republic of Uzbekistan, and the government has instituted additional benefits for foreign investment in priority sectors of the republic's economy.

A foreign investor is entitled to own, use, and dispose of sites and the results of its investment. This includes the right to reinvest and to carry on trade within and beyond the Republic of Uzbekistan, subject to international legal standards and the laws of the Republic of Uzbekistan.

Foreign investors and their partners in the Republic of Uzbekistan are entitled, through competitive bidding and for the purpose of their investment activities, to purchase industrial premises, buildings, plant, and residential accommodation, and also to take long-term leases on plots of land. A program to expand foreign investors' involvement in the privatization process is being drawn up.

The transfer to a foreign investor of ownership of buildings and premises will be accompanied by the transfer of land usage rights, subject to the Republic of Uzbekistan's current legislation.

Foreign investors may purchase, as private owners, service sector facilities together with the plot of land on which they stand.

Should subsequent legislation of the Republic of Uzbekistan be detrimental to the investment climate, foreign investors can, for a period of 10 years, continue to be governed by the legislation in place at the time their investments were made.

State authorities and officials are not entitled to intervene in business carried on by foreign investors, subject to the laws of the Republic of Uzbekistan. Should state authorities of the Republic of Uzbekistan apply rules and regulations infringing upon the rights of foreign investors, any losses sustained by the latter will be made good by ruling of a court of law.

In order to provide foreign investors with the requisite financial and economic guarantees, the government has decided to establish a national fund to insure foreign investment. This fund will be formed through deposits at foreign banks of part of the Republic of Uzbekistan's foreign exchange reserves and the establishment in the republic of insurance companies with foreign capital.

The foreign investment insurance system will provide insurance against, in particular:

—The expropriation of property, legislative and administrative measures entailing confiscation of property or loss of control over it or of incomes derived from it, with the exception of measures introduced by the Republic with the aim of regulating economic activity;

—War or civil unrest, or interference by local authorities in contractual dealings between an insurance organization and a foreign investor;

—The introduction by local authorities of restrictions on free exchange of the national currency into other currencies and the transfer of currency to a foreign state;

—The introduction of new provisions in law discriminatory in nature against individual groups of investors.

Foreign investment in the Republic of Uzbekistan will not be subject to nationalization.

Assets and resources of foreign investors will not be subject to requisition, except in force-majeure circumstances:

—Natural disasters, accidents, epidemics, or epizootic situations.

A decision to requisition foreign investment will be taken only by the Republic's government (the Cabinet of Ministers of the Republic of Uzbekistan). The law lays down that in such circumstances foreign investors will receive compensation, which adequately reflects the assets confiscated.

The procedures for registering enterprises with foreign participation is being simplified. In particular, the time state authorities should take to study documents essential for registration has already been shortened.

A favorable tax climate is an important factor in encouraging foreign investors.

Tax concessions apply to enterprises with foreign investment exceeding 10 percent of the authorized capital.

Existing legislation extends to foreign investors:

—Concessions in the form of income tax exemptions for the enterprises they own from income tax payments for the first two years of profitability.

Enterprises with foreign investments will enjoy tax exemption in respect of incomes reinvested by them to expand production, modernize equipment, or implement social programs.

For a period of five years from their registration by the state, enterprises whose foreign investment exceeds 50 percent of the authorized capital and whose business is focussed on production of consumer goods will be exempt from the mandatory sale of a portion of foreign exchange revenues to the republican central bank.

Foreign investors will be guaranteed the opportunity to transfer to any foreign state profits and other incomes and sums derived from legal business, with no restrictions whatsoever.

Incomes transferred by foreign investors to foreign states will be taxable at 10 percent.

Profits derived by foreign investors in the Republic of Uzbekistan may be reinvested by them within the Republic or otherwise used at the owners' discretion.

Foreign investors may hold accounts in any currency in the Republic's banks, with no restrictions whatsoever.

Foreign investors may utilize monies on account in the national currency to acquire foreign currency at the exchange rate arising from the permitted forms of trading in such currency on the foreign currency exchange.

An enterprise with foreign investment will be entitled, without license, to export goods made by itself and to import goods essential for its own production requirements, subject to existing laws. The Republic's government (the Cabinet of Ministers of the Republic of Uzbekistan) will draw up a list of own-make goods for export and goods for import by enterprises for its own needs.

Monies in foreign currency received by an enterprise with foreign investment from the export of goods it has itself manufactured will be fully at the disposal of that enterprise, after payment of proper taxes and deductions.

An enterprise with foreign investment may use assets as security in any form for obligations, including the raising of loans. It may use as security ownership rights to buildings, premises, and plant, and also to other property rights, except the right to own and utilize land and other natural resources.

Foreign investors may make use of concessions to survey, develop, and exploit natural resources and to pursue other forms of economic activity. Concession agreements will be concluded between foreign investors and appropriately empowered state authorities of the Republic of Uzbekistan.

Assets imported into the Republic of Uzbekistan as part of a foreign investor's input into the authorized capital of an enterprise being established or for the needs of foreign workers will be exempted from customs duties and import tax.

Foreign investors will be entitled to acquire shares and holdings in existing enterprises of the Republic of Uzbekistan and also in other securities issued by corporates of the Republic.

Upon withdrawal from or liquidation of an enterprise, a foreign investor will be entitled to a return of its share of the assets of that enterprise in monies or in kind, commensurate with the balance sheet value of the enterprise at the moment of withdrawal.

Subject to the laws of the Republic of Uzbekistan, enterprises with foreign investment may voluntarily establish within the Republic various amalgamations, associations, concerns, and consortia.

Tax and other state authorities performing special supervisory functions will, within the extent of their powers, supervise how enterprises with foreign investment comply with existing the Republic of Uzbekistan's existing legislation. Enterprises will supply to such authorities the information they need to supervise their business. Supervisory authorities are obliged to maintain commercial confidentiality.

Examinations of the financial and commercial business of enterprises with foreign investment will be carried out by auditing organizations.

Enterprises with foreign investment will keep records and accounts and will give reports on them, subject to the Republic of Uzbekistan's existing legislation.

Enterprises with foreign investment can patent inventions and introduce industrial innovations, subject to the Republic of Uzbekistan's existing legislation on patents.

Subject to the laws of the Republic of Uzbekistan, enterprises with foreign investment may create within and beyond the republic representative offices, affiliates, subsidiaries, and other branches with or without the status of incorporated body.

Issues of industrial and labor relations, including employment and dismissal, working and rest hours, remuneration, guarantees, and compensation at enterprises with foreign investment will be governed by employment contracts concluded with those persons being employed.

Foreign nationals may be employed at enterprises with foreign investment as workers or administrators, and may be elected to the supervisory council.

Issues of payment for labor, leave entitlement, and pension provision for foreign workers of an enterprise with foreign investment will be set out in the employment contract concluded with each such worker. Wages and other incomes legitimately received by these workers may be transferred to any foreign state. Social insurance and social provision of workers at enterprises with foreign investment (with the exception of foreign workers' pension provisions) will be governed by the laws of the Republic of Uzbekistan.

Enterprises with foreign investment will pay contributions in foreign currency for foreign workers' pension schemes to the appropriate funds in the country in which they normally reside. Enterprises will pay contributions to the state social insurance of Republic of Uzbekistan workers and foreign workers and also pension contributions in respect of Republic of Uzbekistan workers, subject to legislation.

Armenia

Further on Conclusion of Talks With Russia

NC1507184194 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0651 GMT 15 Jul 94

[Text] Yerevan ("Azg" daily), 07/15/94—Negotiations between Armenian and Russian Governmental delegations will finish in Yerevan today.

No documents will be signed for now, but head of the Russian delegation, Special Envoy Vsevolod Oleandrov said yesterday, the negotiations were successful and the sides are satisfied with their course. A number of problems, concerning both economic and military-political spheres have been discussed.

Speaking on Russian military bases in Armenia Oleandrov said there is some progress in this regard. At the same time he stressed that the decision, accepted by the Armenian parliament, should be adjusted legally and technically according to the international practice of concerning similar agreements. He said, the problem is more of legal and editorial then of political character.

Oleandrov also said that the problem of Mountainous Karabakh [Republic of Mountainous Karabakh] has not been discussed during these negotiations, but it is impossible to neglect how the blockade affects economic collaboration.

Agreement on Russian Troop Presence 'Unprecedented'

LD1607110294 Moscow ITAR-TASS World Service in Russian 1710 GMT 15 Jul 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 15 Jul—Talks between state delegations of Russia and the Republic of Armenia ended here today with the signing of a joint protocol. Documents were signed by the heads of the state delegations—roving Ambassador Vsevolod Oleandrov [name as heard] and Armenian State Minister Armenak Kazaryan.

The talks were successful, and the state delegations did a great deal of work as regards drawing up a number of agreements between the two countries, Ambassador Oleandrov said. In an exclusive interview with an ITAR-TASS correspondent, he pointed out that some elements in the documents were still to be clarified. The ambassador recalled that the delegations' three-day talks concerned military-political aspects of economic cooperation between Russia and Armenia. The sides had, he said, also looked at cooperation in the industrial domain, especially in the field of scientific and technical research, its coordination, and the specialization of some enterprises in our countries.

Having voiced satisfaction with the results of the talks, Armenian State Minister Kazaryan said that in the protocol that had been signed, the sides had found the practical decisions and formulations that it had been possible to draw up during their three days of work. The head of the Armenian state delegation particularly highlighted cooperation with Russia in industry, noting that contacts between sectoral scientific institutions and the problems of Russian factories using the results of scientific research in Armenia had been added to the ties between industrial enterprises.

Turning to problems in military-political cooperation between Russia and Armenia, the state minister told an ITAR-TASS correspondent that common practical approaches had been found. According to him, the details of them need to be clarified during the course of further work. The Armenian state minister stressed that there had been no disagreements of principle between the state delegations.

The treaty, now in preparation, on Russian military bases in Armenia, is an unprecedented document, Colonel General Vladimir Kuznetsov, head of the Russian Defense Ministry's engineering troops, declared. It will be the first Russian base on the territory of another state, said the general, who headed the military section of the Russian state delegation, which concluded talks with the Armenian state delegation here today. Russian military bases in Armenia are being set up not to threaten any state, but to maintain peace in the region, the general declared in an exclusive interview with an ITAR-TASS correspondent. He said that the Armenian leadership took the view that the treaty should be signed by the presidents of the two countries. Kuznetsov thought it likely that the treaty on Russian military bases in Armenia would be signed in August or September this year.

The head of the Russian engineering troops expressed the opinion that the treaty would have a positive effect on the conflicts taking place in the region. War had brought so much misery to the Armenian and Azeri peoples, and it was Russia's mission to stop the bloodshed, said Gen. Kuznetsov. A Russian military base in Armenia and military-political cooperation between the two countries would serve the cause of peace, he emphasized.

Serzh Sargsyan, the republic's defense minister, was convinced, for his part, that a strong Russian military base in Armenia would mean a strengthening of the Armenian national army. In an interview with an ITAR-TASS correspondent, he pointed out that a Russian military presence in Armenia would in itself further the successful progress of military construction in the republic. The minister announced that Armenian cadets would be training in Russian military educational establishments as early as this year.

Spokesman Rules Out Turkish Presence in Karabakh

NC1407193894 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 14 Jul 94

[Report by Lida Gazaryan on a news conference held by Presidential Press Secretary Levon Zurabyan in Yerevan on 14 July]

[Text] At his news conference, the presidential press secretary declared that Armenia welcomes the two-month uninterrupted cessation of military operations and assesses it as a positive trend in the current stage of the Azerbaijani-Karabakh conflict. Armenia expresses its unease that the cease-fire has not been placed on a legal footing. Having agreed to virtually every peace initiative, Armenia and Nagorno-Karabakh are very ready to sign the 19 May document submitted by the CSCE, regarding it as a legal foundation for the cease-fire. The document envisages the signing of a cease-fire agreement and the dispatch of international observers to the conflict zone. The presidential press secretary said that Armenia is uneasy that Azerbaijan has reneged on its position to sign the 19 May [words indistinct]. Such a change proves that Azerbaijan is not interested in the legal consolidation of the cease-fire and is trying to gain time to carry out military preparations. Zurabyan stressed that Armenia believes the resolution of the Azerbaijani-Karabakh conflict is possible with mutual concessions from both sides. He said the following on mutual concessions:

[Begin Zurabyan recording] Karabakh will withdraw from the land it occupies, except the corridor linking Armenia and Nagorno-Karabakh, and in return will obtain security guarantees for its population with the deployment of the disengagement forces between the conflicting sides. Azerbaijan will agree to the deployment of the disengagement forces and in return will regain [word indistinct] control over the occupied land. This is the formula for mutual concessions. We [words indistinct] that one of the points is that mutual concessions will involve the deployment of the disengagement forces [words indistinct], the signing of the cease-fire, and the deployment of observers. [Words indistinct] the withdrawal of troops and an end to blockades. The third phase involves the [words indistinct] of the status of Nagorno-Karabakh. [end recording]

Answering correspondents' questions, Armenian Presidential Press Secretary Levon Zurabyan noted that Turkey cannot take part in any peace operation aimed at resolving the Azerbaijan-Karabakh conflict—not even with an observer status—because, by organizing a blockade against Armenia, it will still be a direct participant in the conflict. The presidential press secretary added that there is also a [words indistinct] reason preventing Turkey's participation: the absence of Armenian-Turkish diplomatic ties.

Official Rejects Turkish Peacekeeping in Karabakh

NC1507113994 Yerevan SNARK in English 1600 GMT 14 Jul 94

[Text] Yerevan, July 14 (SNARK)—The Turkey's striving to send its troops to the zone of Karabakh conflict is unacceptable and incompatible with its desire to be represented as a peace-maker and mediator, said Suren Zolyan, the secretary of the Armenian Supreme Soviet's Commission on Nagorno-Karabakh. He explained this by the fact that Ankara, actually, is involved in the conflict that is shown by its political and military support to one of the conflicting sides—Azerbaijan.

In Professor Zolyan's opinion, the declaration that Turkey considers Karabakh as a part of Azerbaijan is contradict the peacemaking mind. He said the other countries recognize the territorial integrity of Azerbaijan with reserv [as received] relating to Karabakh final status that must be determined at Minsk conference of the CSCE.

The Armenian parliament adheres to the opinion that last statements of Turkey's authorities, probably, aim to clear up the current situation and to create appropriate atmosphere for further concrete actions. In connection with it, Zolyan pointed out the recent political activity of Ankara in the Bosnian problem, and the military participation of Turkey in events in Yugoslavia was a result of it.

NKR Commissioner Disputes Number of POW's

NC1607192294 Yerevan SNARK in English 1440 GMT 16 Jul 94

[Text] Stepanakert, July 16—(SNARK) The information of many thousand war prisoners and hostages of Azerbaijan nationality, as if present on the territory of Nagorno-Karabakh, does not correspond to reality and is pure propaganda, told to SNARK newsman the Deputy Chairman of NKR State Committee on War Prisoners and Hostages, Karen Ohanjanyan.

By his words, there are no more than 150 Azeri POWs and hostages kept in NKR today. The number of 10 to 15 thousand persons given by Azeri mass media Ohanjanyan explained by Azerbaijan intention to conceal the true number of its losses in last combats.

Inconsistency of such a high number of war prisoners in Karabakh is also proved by the fact that NKR is simply unable to retain so many people today, observed Ohanjanyan. As for the conditions in which the Azeri POWs and hostages are kept in Karabakh, they may be judged upon by representatives of the International Red Cross and "Medicine San Frontiers" organizations who have free access to prisoners. The NKR State Committee is ready to accept any international organization for detailed inspection of this issue.

Opposition Rally Calls For President's Dismissal

LD1507204194 Moscow INTERFAX in English 1809 GMT 15 Jul 94

[Text] An opposition rally in Yerevan called for the dismissal of, and legal action against, Armenian President Levon Ter-Petrosyan and some members of his government.

Most of the speeches at the 20,000-strong rally, organized by the opposition National Democratic Union and held on Friday, were about what was described as the grave economic situation and lack of law and order.

National Democratic Union member and parliament deputy David Vardanyan said there was "mass-scale" lack of rights in the republic, while former presidential national security adviser Ashot Manucharian called Ter-Petrosyan and Interior Minister Vanik Siradegyan "the main organizers" of a series of recent political assassinations, including those of the head of the railways, the former security chief and the chairman of the Chamber of Commerce and Industry.

The president, interior minister and other top figures "will sooner or later face judgement by the people," one of the speakers said.

Army Salaries Increase by 50 Percent

NC1607193894 Yerevan SNARK in English 1440 GMT 16 Jul 94

[Text] Yerevan, July 16 (SNARK)—According to the Armenian government order, the salaries of army and force structures personnel has been increased for 50 percent since July 1.

Now those soldiers that serve under contract will be paid 1,500 drams, which makes nearly 9,000 Russian rubles.

Monthly allowance of routine-service soldiers was installed at a level of minimum wages equal nearly to 1,000 rubles.

Double salary will be paid to army personnel present in the combat areas.

Privatization of State Enterprises Begins

NC1507211994 Yerevan SNARK in English 1221 GMT 15 Jul 94

[Text] Yerevan, July 15 (SNARK)—The process of privatization of state enterprises and the units of uncompleted construction has started, said at today's press conference the acting Chairman of the State Commission on Privatization Boris Kocharyan.

According to him, the state property privatization consists of small enterprises' privatization, middle and big enterprises' privatization and partial gratuitous privatization (20 per cent of the enterprises' property will be given to the employees of the enterprise).

Mr. Kocharyan also mentioned that the creation of the subcommissions is going on. More than 900 enterprises are under the 20-percent privatization. They will become the joint-stock companies. 6-7 months - these are the terms for 20-percent privatization.

Meanwhile, the project of the Law on the Investment Funds is being worked now.

Azerbaijan

Russian Envoy Works on Military Aspects of Peace Plan

NC1507201094 Baku TURAN in English 1656 GMT 15 Jul 94

[Text] Baku, July 14 (TURAN)—The group of Russian servicemen headed by personal representative of Russia's President, Vladimir Kazimirov, arrived in Strasbourg to discuss the positions of Russia and the CSCE in the settlement of the Armenian-Azerbaijani conflict, reports Azerbaijan's Foreign Ministry.

In the near future Russia is expected to hand Azerbaijan and Armenia the Major political agreement on settlement of the conflict.

As was earlier reported, on July 7-8 there was the session of the CSCE Minsk Group in Vienna. The participants of the session discussed the draft of the major political agreement presented by Russia. The chairman of the Minsk Group is ordered to work out the draft of the agreement in order to clear up the role of the CSCE within the framework of this agreement.

The agreement provides for liberation of occupied territories, withdrawal of occupying troops, lifting of blockade, return of refugees to their native lands.

Armenia Accused of Violating Cease-Fire Agreement

NC1507195794 Baku TURAN in English 1656 GMT 15 Jul 94

[Text] Baku, July 15 (TURAN)—The UN permanent representation in Azerbaijan issued the statement of Azerbaijan's Defense Ministry due to violation of cease-fire agreement by Armenia.

The statement reads that on July 14 at 5.30 a.m. Armenian forces shelled the Tauzskiy region of Azerbaijan from the territory of Berd and Idzhevanskiy regions of Armenia. The damages are reported.

At the same time the Armenian army shelled the positions of the Azeri army in Agdam-Fizuli direction.

"Such activities of Armenian government are aimed at breaking the efforts of the international organizations in the settlement of Armenian-Azerbaijani conflict. Azerbaijan stands against violation and calls on world community to condemn the aggressor", reads the statement of Azerbaijan's Defense Ministry.

Azerbaijan's Defense Ministry reports that the Azeri party adheres to earlier achieved agreements and does not open return fire.

The cease-fire agreement was reached on May 17 in Moscow through the mediation of Russia.

Aliyev Receives Visiting Iranian Delegation

NC1507202494 Baku TURAN in English 1656 GMT 15 Jul 94

[Text] Baku, July 15 (TURAN)—Yesterday President Aliyev received the delegation from Iran's province of Gilan headed by the head of Iran's clergy, Hazrat Ayatollah Ehsanbakhsh, and the Governor of Gilan province, Mohandes Tahae'i.

President Aliyev thanked Iran for humanitarian assistance provided to Azeri refugees. He also said that his visit to Iran was successful and the agreement concluded by Azerbaijan and Iran will help to develop relations between two countries.

The Governor of Gilan, Mohandes Tahae'i, asked President Aliyev to establish economic relations between Gilan and southern region of Azerbaijan. He also mentioned that the building of railway in Astara city will allow Azerbaijan to establish relations with Near East and Iran will be able to be close to Europe.

The Governor of Gilan stressed the necessity of creating joint market "Astara-Astara". "By mean of this market Azerbaijan will establish relations with the markets of other regions of Iran", said Mohandes Tahae'i.

Tahae'i suggested that President Aliyev open Gilan's consulate in Azerbaijan. According to Tahae'i, the work of custom between two Astara cities must be cardinally changed since it is unable to ensure trade between two countries.

President Aliyev assured that Azerbaijan will make every effort to realize these proposals.

Aliyev on Western Oil Consortium Cooperation

LD1507223294 Moscow ITAR-TASS in English 2014 GMT 15 Jul 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[Text] Baku July 16 TASS—The draft contract on joint working of oilfields on the Caspian must reflect national interests of Azerbaijan and conform to international standards, Geydar Aliyev, president of Azerbaijan expressed this view today at a meeting with representatives of the state-owned oil company and the Western consortium.

According to the head of Azerbaijan, this question is extremely serious for Azerbaijan, since oil is the main wealth of the Republic and it must be controlled "quite carefully, cautiously and zealously" for the sake of generations to come.

Aliyev expressed satisfaction with talks, which, in his view, are, in the main, completed. "We, undoubtedly, would like to have a better option, but even what the sides have come to, is acceptable," the president said.

At the same time, the president expressed the hope to receive a programme of forthcoming works off the Caspian shelf along with the final text of the contract. "We must have a clear conception of the specific joint work of the state-owned oil company and the Western consortium," Geydar Aliyev emphasised.

Speaking of the interest displayed in the world in signing the contract, Aliyev noted that, although quite often talks were prognosed to have failed, "nothing can prevent" cooperation between Azerbaijan and the consortium."

Georgia

Abkhaz Combatants Kill Russian 'Mercenaries'

LD1507154194 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 15 Jul 94

[Text] According to the information which we have received through reliable sources, disagreement has been flared up between the Abkhaz combatants and the Russian mercenaries as soon as the decision on monitoring the Kodor gorge by the peacekeeping forces appeared on the agenda. As a result of the conflict, on 14 July, the Abkhaz combatants riddled with bullets the so-called obstinate Russian mercenaries.

We have heard from the Information Center for Political Settlement of the Abkhaz Conflict that the situation in the rayon remains tense.

Tasks of UN Mission in Abkhazia Outlined

LD1507175694 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 15 Jul 94

[Text] UN Secretary General Butrus Butrus-Ghali has submitted his report on the situation in Abkhazia to the Security Council. The report says that the secretary general has advised the Security Council to carry out the first joint peacekeeping operation with the CIS troops in Abkhazia.

Butrus-Ghali said that, in accordance with the new mandate, it has been suggested that the UN mission in Georgia should carry out the following tasks:

1. Monitoring the implementation of the agreement on a cease-fire and the separation of forces and evicting those who breach the agreement;

2. Monitoring the activity of the CIS peacekeeping forces;

3. Patrolling the security zone and the zone of limited armament;

4. Monitoring the rayons where hardware is kept;

5. Monitoring the process of the withdrawal of Georgian troops from the Kodori gorge;

6. Patrolling the Kodor gorge regularly.

Touching on the concepts of the UN military operations in Abkhazia, Butrus-Ghali said: The UN mission for monitoring the situation in Georgia will be acting separately from the CIS peacekeeping troops, but the UN mission will cooperate closely with them and coordinate work on four levels: the headquarters of forces; the zone headquarters in sectors; cooperation between the CIS battalions and the UN Georgia mission group; the CIS patrols and the UN Georgia mission patrols.

Decisions concerning both the UN mission in Georgia and the CIS peacekeeping forces are to be adopted on the basis of consultations. If peacekeeping forces find it expedient to carry out military actions for self-defense, then their forces are to secure the safety of the personnel of this mission and other UN personnel.

The report says: In order to carry out the above task, and in accordance with the concept of the operation, it has been envisaged that the UN mission in Georgia will need 136 military personnel. According to the data of 12 June, the UN mission has 39 military observers in Georgia. The dispatch of 55 military observers must be accomplished by the end of July. The chief military observer has created two sector headquarters in Zugdidi.

In connection with the fact that the CIS peacekeeping forces are to stay in Abkhazia for six months, Butrus-Ghali suggested that the mission's continued mandate should be confirmed for three months. Butrus-Ghali, mentioning that the situation in the region is relatively calm and that the arrival of the CIS troops has improved the situation in the rayon, has told the Security Council that the process of the return of refugees might start at the beginning of September.

Poll of Abkhazian Refugees Held

LD1607142194 Tbilisi Radio Tbilisi Network in Georgian 1210 GMT 16 Jul 94

[Text] At the initiative of the Information Center for the Political Settlement of the Abkhaz Conflict and the editorial staff of THE ABKHAZIA newspaper, an opinion poll of the refugees from Abkhazia has been held.

The question as to whether the refugees trusted the success of the peacekeeping operation, which is to guarantee the safe return of the refugees to Abkhazia, was answered positively by 57 percent; negatively by 38 percent; 4.5 percent abstained.

The question as to whether the refugees wanted to return to their homes if the local authorities will be Abkhazians, was answered positively only by 0.7 percent of those polled; negatively by 97 percent; 2.5 percent abstained.

The question as to whether the reconciliation of Georgians and Abkhazians and their life side-by-side was possible irrespective of what has happened, was answered positively by 18 percent; negatively by 26 percent; 60 percent abstained.

These are the data that illustrate the disposition of the refugees.

Abkhazia To Prevent Return of Georgian Refugees

LD1607162494 Tbilisi CONTACT INFORMATION AGENCY in Russian 1351 GMT 16 Jul 94

[Text] [No dateline as received]—Deputy Chairman of the Supreme Council of Abkhazia Stanislav Lakoba has announced that he has a list of 8,000 people of Georgian nationality who will be unable to return to Gali rayon. Some of them directly participated in hostilities against the Abkhaz, while others supported Georgian Armed Forces with money.

It has emerged from reliable sources that the "black list" includes representatives of Gali rayon's intelligentsia and business circles. The Abkhaz side is doing everything to wipe out the intellectual potential of Abkhazia's Georgian population. They will need refugees only as workforce.

Abkhaz Extremists Active in Northern Safety Zone

LD1707121594 Tbilisi Radio Tbilisi Network in Georgian 0500 GMT 17 Jul 94

[Text] According to the reports from the CONTACT news agency, Abkhaz formations are still deployed along the Enguri River. Extremist forces of the Abkhaz police keep entering the northern safety zone under camouflage of the new contingent. They have recently plundered the village of Ghumurishi where, disguised as police, they arrived in an Ikarus bus. The Abkhaz police set up headquarters between the villages of Kvishera and Otobaia.

Influential Abkhaz officials are sending in spies into the Georgian population. They are demanding the fruit harvest from the population giving vague-looking checks in return and saying that they will be redeemable for U.S. dollars.

Russians Stop Mine Clearing in Gali Rayon

LD1707135294 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 17 Jul 94

[Text] The CONTACT news agency has supplied us with the information of the Defense Ministry press center. Tengiz Gogitishvili, a press center employee, reports from the headquarters of the joint peacekeeping forces in the village of Rukhi that the Russian sappers have stopped clearing mines in the village of Saberio, in Gali Rayon, and its adjacent territory, saying that the Abkhaz separatists put mines in residential houses, and mine clearing would destroy the houses. In addition, the Abkhaz authorities, who continue the policy of deportation of the Georgian population, are against mine clearing in Gali Rayon.

Continuous Shooting Reported in Gali Rayon

LD1707190394 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 17 Jul 94

[Text] Continuous shooting was heard this morning on the territory of the limited armament zone in Gali rayon. So far Russian peacekeeping forces' checkpoints have not been set up in the zone, which facilitates pillaging by various gangs.

It has been relatively quiet in the Kodori Gorge for the last week. However, there have been several attempts by armed men to cross over the Marukhi crossing from the north Caucasus. Georgian border guards halted every attempt by the gatecrashers.

Abkhaz Leaders Oppose Withdrawal From Kodor Gorge

LD1507121594 Moscow INTERFAX in English 1017 GMT 15 Jul 94

[Text] Representatives of the Abkhaz leadership loyal to Georgia met in conference in Tbilisi on Thursday to oppose the withdrawal of Georgian army units from Abkhazia's Kodor Gorge.

"That would mean the final loss of Abkhazia for Georgia", Georgian Vice-Premier Tamaz Nadareishvili told Interfax on Friday. Nadareishvili chaired the conference attended by representatives of the Abkhaz council of ministers, the chiefs of administrations of the Gulripsha and Gali districts of Abkhazia and the commanders of Georgian forces in the Kodor Gorge.

"However, this opinion is being ignored by the country's top officials and an agreement on the withdrawal of all Georgian troops from the gorge has already been signed," Nadareishvili said.

Since the document does not mention the withdrawal of Abkhaz forces, the Vice Premier fears this means that "we are leaving the local population in the lurch. These people have been returning to their homes on a mass scale over the past few days".

Nadareishvili warned against pinning any special hopes on the Russian peace-keepers, because, he claimed they remained idle saying they did not wish or had the right to intervene in Abkhazia's internal affairs.

Georgia Suspends Withdrawal From Kodor Gorge

LD1707105194 Moscow Russian Television Network in Russian 1000 GMT 17 Jul 94

[From the "Vesti" newscast]

[Text] One hour ago the INTERFAX agency reported that Georgia has suspended the withdrawal of its armed groups from the Kodor Gorge and is demanding that Abkhaz forces be withdrawn from there at the same time. The Georgian Defense Ministry's press center confirms that new Abkhaz forces are entering the gorge disguised as policemen.

Suspension of Withdrawal Denied

LD1807152394 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 18 Jul 94

[From the "Vesti" newscast]

[Text] Major General Yakushev has denied reports from Georgian sources to the effect that the Georgian side has been forced to suspend the withdrawal of its formations because additional Abkhaz units have allegedly started to arrive in the Kodor Gorge. According to the commander, the withdrawal of the Georgian formations is proceeding in accordance with schedule.

At the same time Yakushev believes that in addition to the problem of refugees, another acute problem is that of local self-defense detachments. These detachments, made up mostly of Svans, do not want to lay down arms. According to the Russian general, the detachments number between 600 and 700 people.

Defense Minister Clarifies Statement

LD1807155694 Moscow INTERFAX in English 1314 GMT 18 Jul 94

[Text] Abkhazian Defense Minister Sultan Sosnaliyev qualified Tbilisi's statement about the withdrawal of Georgian armed units from Kodori Gorge in Abkhazia being suspended as an attempt at gross violation of the agreement on a cease-fire and disengagement of troops signed in Moscow on May 14.

"Such a loose interpretation of Point No. 4 in the agreement is inadmissible," he told Interfax on Monday.

Interfax was informed about the suspension of the withdrawal of Georgian armed units from the Kodori Gorge by the press center of Georgia's Defense Ministry on Sunday. Georgia demands that the Abkhaz forces also be removed from the gorge. Under agreements reached a week ago between the representatives of Georgian and Abkhaz armed forces and Russian peacekeepers Georgian troops were to leave the gorge by July 20.

In the meantime a reinforced reconnaissance unit of Russian peacekeepers was despatched there on Monday on a fact-finding mission, Interfax was told by the Sukhumi-based headquarters of the peacekeeping troops.

Adzharian Official Fears Threat to Stability

MK1507102094 Moscow NEZAVISIMAYA GAZETA in Russian 15 Jul 94 p 3

[Report by Viktor Vanchadze: "Disturbing News From Adzharia"]

[Text] Troubling news has come through on Tbilisi airwaves. Aslan Abashidze, the autonomous republic's Supreme Soviet chairman, according to a Supreme Soviet press center report declared at a meeting with members of the public in Batumi that there is a multitude of facts pointing to a biased attitude of "certain forces" to Adzharia's state structures. In particular, in neighboring areas there "have appeared armed groups that create a threat to the population of the autonomous republic."

Abashidze announced about the forced measures he had taken: Special groups set out for various areas of the land in order to alert the population to possible provocations.

This is the first troubling report from Batumi in the past year that makes people indulge in all sorts of guesses as to what is happening. Abashidze urged the public "to more actively spread authentic information about developments in the autonomous republic so that no one has a pretext for accusing it (Adzharia—V.V.) of separatism." The meeting of members of the public and leaders of the autonomous republic passed an appeal addressed to Eduard Shevardnadze advising that "being infiltrated into Adzharia are instigators and terrorist groups instructed to blow up important facilities and commit violence against local leaders." More, a powerful mechanism is set in motion which, the document says, does not limit itself to spreading false information alone.

Eduard Shevardnadze, for his part, has announced through his press service that this information has not been confirmed by corresponding services, but that if such things are going to take place, the state will exert all efforts to frustrate such attempts. By a special directive, the head of state has bound the security service, the Ministry of Internal Affairs, and the Prosecutor's Office of Georgia to study within one week the real state of affairs so that serious measures could be taken if necessary.

Shevardnadze Urges Measures in Adzharia

LD1507135794 Moscow ITAR-TASS in English 1248 GMT 15 Jul 94

[By ITAR-TASS correspondent Tengiz Pachkoria]

[Text] Tbilisi July 15 TASS—Georgian President Eduard Shevardnadze issued an instruction on Friday to the Security and Interior Ministries as well as to the republican prosecutor's office and personally Vice-Premier Avtandil Margiani that they should study, within a week, the situation in the Adzharian autonomous republic and "take necessary measures to stop illegal actions which can destabilise the situation in Adzharia and other Georgian regions."

The instruction was made public by the republic's mass media.

The instruction was prompted by an address to Shevardnadze by the Adzharian public, claiming that "some forces are interested in destabilising the situation in the autonomous republic and try to send terrorist groups to Adzharia."

Shevardnadze Interviewed on Current Issues

LD1807103894 Tbilisi Radio Tbilisi Network in Georgian 0616 GMT 18 Jul 94

[Interview with Georgian State Council Chairman Eduard Shevardnadze by Nato Oniani, in Tbilisi—live]

[Excerpts] [Oniani] Hello. Mr. Eduard Shevardnadze, the chairman of the Georgian parliament and head of state, is in the studio.

Batono Eduard, two years ago last week Russian peacekeeping forces were introduced into Tskhinvali, and a month ago the Abkhaz process started. What specific results can one talk about today?

[Shevardnadze] Good morning. I apologize for being late. Regarding your question, I think that it is still too early to talk about specific results at the moment. The main result there has been so far is that the process has started. The UN secretary general's report to the Security Council was published several days ago. Yesterday, I received a draft Security Council resolution. It is rather interesting and is acceptable for us. This draft resolution, which I am sure will be adopted, welcomes the CIS peace mission in Abkhazia. This is a special mission and is the first such mission in the relatively short history of the CIS.

Talks have also started on the resumption of work by a control commission in the zone of the Georgian-Ossetian conflict, which is to implement the tasks envisioned by the [1992] Dagomys treaty.

Some very important technical aspects relating to the return of refugees have been settled. Without this their return would be impossible in practice. The deployment of troops is about to be completed. There is a little more to be done. I would say that the first stage in the peace mission—which includes organizational, technical, legal and other issues—is about to be completed. To start the second stage will certainly be more difficult and even painful. But it will start anyway, and it will start in the very near future.

Now, everything, or almost everything will depend on Russia—on our good mutual understanding and well-coordinated joint action. We have such understanding, at least this time, with the Russian leadership, its president, defense minister, foreign minister, and other senior officials.

I would like to add something that may be only a detail but a very important one. Mr. Varden Nadibaidze, our defense minister, is in Moscow. I have issued him with special instructions concerning this process. I think that he will arrive back with some explanations regarding certain issues.

[Oniani] Last week was noted for decrees. Your decree on the immediate measures for fighting crime and the decree on taking effective measures for oil reconnaissance and extraction work have been issued. It was followed by a practical step later on—a wide-scale operation was carried out in Kakheti. Was that a one-time operation, or will Kakheti be monitored systematically, as there have been problems in connection with oil before and you had earlier expressed your stance on this?

[Shevardnadze] You know that reinforcing order is one of the key aims of the authorities. For the sake of fairness, it must be said that a lot has been done in this respect. A lot has been done in connection with the oil deposits. There is no justification for what used to happen. It is a crime to justify it. It would be a crime before Kakheti, west Georgia and, first of all, the population, as this can simply cause a physical extermination of people, let alone the flora and fauna. Following the measures, oil extraction rocketed up from 50 tonnes to 300 tonnes—in just two days, 300 tonnes daily. It is not little for us, it is quite a large amount. I am sure that the results will be even more impressive when the foreign firms start their wide-scale work. They are already here and they have already started to work. At the moment proper order is important. We must create normal conditions for their work.

I think that by the end of this year we shall have extracted half a million tonnes of oil. Next year we may achieve extraction of two million tonnes provided that order is established and work is carried out professionally.

We must assume the similar attitude towards order in every sphere of life. As they used to say in old times: Not only is order important in everything but it is vitally important for every family and every citizen. Such are the aims of the commission that has replaced the emergency committee and which was set up by my decree. [passage omitted]

[Oniani] Our governmental delegation last week visited France where a meeting of the donor states was held. We are expecting Russian businessmen and bankers this week, and a joint conference has been planned. It may be said that an economic revival has started in Georgia. Excuse me, I have forgotten about one interesting event, President Clinton's letter to you where he mentions the idea of the Eurasia corridor which would be beneficial to us.

[Shevardnadze] I must say that the Paris meeting was very important. The dialogue which has started in Washington continues and this time concrete trends and projects are being discussed. [passage omitted]

The prime minister's visit to Moscow was also effective. Yesterday I met a large group of businessmen who are getting ready for the dialogue with the representatives of Russia's business circles. You probably have paid attention to U.S. President Bill Clinton's letter in which he again promises realistic help, especially in grain and other foodstuffs, which will help us satisfy the minimum needs of the population. The President also paid attention to that bit in my letter where I speak about building the Euroasian corridor. This is also a very important factor, as none of the decisions will be made if the United States does not define its stance in just the same way as Russia and Turkey. A lot of interesting things are happening in the European Union. We must wait for the decisions of the European Union and its aid to Georgia. I do not want to talk about the amount of aid and its nature beforehand, but I am sure that it will be significant aid and will help Georgia survive the winter better than last year. Thus, apart from becoming stabile, our economy is being revived and it is noticeable in our industry and villages. Everybody is working in villages, a great deal has been sown, and the harvest will be rich. Foreign partners are ready to help and cooperate with us. We must fight for Georgia if we want order and if we want to come out of the crisis.

[Oniani] Elections were held last week in two countries of the former Soviet Union, which are present CIS countries—Ukraine and Belarus. Will our relations with these countries change now that the highest posts have been occupied by new politicians? We must especially stress relations with Ukraine, as Georgia has traditionally enjoyed warm and good relations with this country.

[Shevardnadze] I would like to welcome the choice of our brotherly Ukrainians as well as the choice of our historical friends of Belarus. If we proceed from the principles of their action, our relations will become even more friendly and dynamic, I mean bilateral links and cooperation within the CIS and other international organizations.

[Oniani] Batono Eduard, rather alarming news kept coming in last week from Ajaria and also from its leader Aslan Abashidze. We know that the head of the Security Service and Jaba Ioseliani visited Ajaria. What is the situation like at the moment? And one more question, do you think that there is a link between the following events: the beginning of peacekeeping process in Abkhazia, the rallies in Tbilisi staged by the supporters of the former authorities, and the vague signs of the beginning of unrest in Ajaria?

[Shevardnadze] As far as Ajaria is concerned, I was very alarmed by the information which Aslan Abashidze and the representatives of Ajaria's public gave me. I would like to declare that the authorities will not allow the creation of another hotbed of instability in this ancient part of Georgia. We shall use every available means to nip in the bud provocations and other negative actions, whomever they may be coming from. We shall eradicate the provocations in good time, using every means envisioned by law. They shall be eradicated.

I have made a decision and sent to the scene Deputy Prime Minister Avtandil Margiani and the head of the Security Service Igor Giorgadze. Yesterday, Jaba Ioseliani joined them. We shall clarify everything and work in close cooperation with the Ajarian authorities, just the way Georgia will need it. I am sure that every attempt at causing unrest is destined to be a catastrophe.

As for the link between the events you have listed above, it is impossible to rule out such a link, probably we must take it into consideration. Proceeding from this, we need to be on the alert—it concerns everyone—there is a need for more integrity for the sake of state order. I have used this phrase before, for the sake of state mentality and action.

[Oniani] Last week Georgian ambassadors were appointed to the Islamic Republic of Iran and the United States, which are two very different countries and both represent special interests for us. They are, respectively, Mr Jemshid Giunashvili and Mr. Tedo Japaridze. Batoni Tedo was previously your national security adviser, which should to a certain extent help him promote relations between our two countries.

[Shevardnadze] I would like to say in general that the appointment of new ambassadors is a very important event in the life of a young state. Some think that it is a luxury, saying that ambassadors are abroad and live well at a time when we have no funds to run embassies.

[Oniani] Georgian embassies are probably in great difficulty.

[Shevardnadze] Of course, they are in difficulty. It is difficult for them, and it is also difficult for us to support them. This is not an easy task for poor countries. However, I nevertheless believe that if any of our poor state's investment is lucrative at all, it is above all in this sphere that it is lucrative. That is because there is no doubt that our ambassadors are doing a useful job almost everywhere—in the sphere of economics, politics, science, culture and so on. I have in mind our ambassadors at the United Nations, in Bonn, Paris, and Turkey. The job being done by our ambassador at the European Union [EU] in Brussels is especially useful and productive. I should say that that rather generous assistance which we are receiving form the European Union, while not being a result of his work alone, is a result of his great efforts aimed at winning the support of EU countries. He also works a lot with NATO and other European states. There is a wish that the Moscow embassy worked better and more productively.

Our embassy in Ukraine will open in the near future. It is necessary to solve the issue of establishing embassies in Azerbaijan and Armenia, and so on. Therefore, our representation abroad is gradually improving in quality and is growing. I think that the activity of our ambassadors and embassy staff should be the subject of a separate discussion.

Special attention may be given to the appointment of our ambassador to the United States, Batoni Tedo [Japaridze]. As you know, up until now Mr. Petre Chkheidze was combining the duties of our ambassador in Washington and our representative at the United Nations. It was impossible for one person to combine these two difficult and all-embracing duties. Petre Chkheidze himself pointed to the need to separate these duties. In this connection, I would like to mention the very useful job being done by Petre Chkheidze at the United Nations. He has been doing a good job involving all these resolutions which have been adopted, work with various countries and their representatives, and so on.

Let us stop discussing this now and let us congratulate our friends on the great trust which the country has placed in them by appointing them as ambassadors.

[Oniani] The French people celebrated their national holiday last week, Bastille Day. On that day, a small France was created in Georgia, at least for several hours when the reception was being held. You mentioned at the reception that we, Georgians had already taken our Bastille and that now time had come to work. Merab Mamardashvili, a great Georgian thinker whose commemorative evening was held last week had said: What I am feeling now is a bloodache which goes into the veins after a continuous work but I am not sure that I shall not sit to work again. Are you sure that we shall not have to take another Bastille?

[Shevardnadze] Yes, I said that we had taken our Bastille. I am sure that we do not have to take another Bastille, I mean the significance it is known for in history. Our Bastille, from now on, is unification of our country and building it. I am asking everybody who is concerned with the country's fate to join us in this endeavor. [passage omitted]

[Oniani] Thank you very much for the interview. You were listening to the interview with the head of the Georgian state and the chairman of parliament, Eduard Shevardnadze.

Shevardnadze Seeks Preparations for Russian Talks

LD1707154194 Moscow INTERFAX in English 1507 GMT 17 Jul 94

[Text] Georgian leader, Eduard Shevardnadze, has called for serious preparations for a Russian-Georgian conference on economic cooperation and investments to be opened in Tbilisi on July 21.

He addressed a meeting of leaders of enterprises and trade and economic organizations in Tbilisi on Sunday.

He said that at the forthcoming conference it was necessary to observe the principle of signing inter-state contracts, not agreements between separate regions. 'The time to destroy has passed for good. Now it is time to construct and cooperate,' he said. Shevardnadze believes that the forthcoming conference will be of great importance for the implementation of the cooperation program envisaged by the economic agreements signed during the visit by Russian President Yeltsin in Tbilisi on February 3.

The participants in the meeting showed interest in restoring the old and establishing new economic relationships and technological contacts between the two countries, and in exchanging shipments of raw materials and component parts, and in the joint production of goods.

According to Prime Minister Otar Patsatsia, the credit estimated at 23 billion rubles, which Russia intends to offer Georgia, will help the republic to restore energy facilities and go easily through hard winter.

Shevardnadze Appoints New Envoy to U.S.

LD1607160894 Tbilisi CONTACT INFORMATION AGENCY in Russian 1351 GMT 16 Jul 94

[Text] By decree of the Georgian Head of State Eduard Shevardnadze, the permanent mission of the Republic of Georgia to the United Nations and the Georgian Embassy to the USA are to become two separate legal entities, with the aim of developing political and trade and economic relations with the United States of America and stepping up the activity of the United Nations.

Petre Chkheidze is to be released from the post of ambassador extraordinary and plenipotentiary of the Republic of Georgia to the United States. He is to retain the post of Georgia's permanent UN representative.

Tedo Japaridze is to be appointed as ambassador extraordinary and plenipotentiary of the Republic of Georgia to the United States of America.

By decree of the head of state, the diplomatic rank of ambassador has been conferred upon Tedo Japaridze.

Official Comments on Possible NATO Membership

NC1507164694 Yerevan SNARK in English 0902 GMT 15 Jul 94

[Text] Tbilisi, July 15 (SNARK)—Georgia should be interested in joining NATO. The Georgian Defense Department, Cabinet of Eduard Shevardnadze and the Georgian Foreign Affairs Department are working out the presentation document to determine what Georgia is looking for and what Georgia is going to offer in exchange, informs SNARK in his exclusive interview the deputy Minister of Foreign Affairs Georgiy Burduly.

Mr. Burduly is of the opinion that Georgia wants NATO to help in Georgia's army creation. The Army should be based on the principles of democracy. Georgia wants NATO to train Georgia's militaries to participate in the peace-keeping missions, to conduct joint maneuvers.

Mr. Burduly said that Georgia's joining NATO doesn't depend on Georgia. NATO joining for Georgia may be only in future. But Georgia has already done the first step - Georgia has already signed the "Partnership for Peace" NATO Program.

Prime Minister Asks World Bank for Further Aid

LD1607111694 Moscow ITAR-TASS World Service in Russian 0053 GMT 16 Jul 94

[By ITAR-TASS correspondent Mikhail Kalmykov]

[Text] Paris, 16 Jul—The economic situation in Georgia and problems of providing assistance to the country in its economic stabilization and implementation of economic reforms were discussed at the talks held in Paris this week between a Georgian delegation led by Prime Minister Otar Patsatsia and representatives of the World Bank and donor-countries. The Georgian delegation was in Paris on an unofficial visit.

Georgia is still receiving humanitarian and technical aid from the West. However, in the opinion of the Georgian delegation, the country needs massive financial support, which would help it to carry out structural reforms aimed at the market economy. The Georgian prime minister said the privatization program, which had been adopted and was being implemented in the republic had already produced its' first results and the fight against inflation was successful.

The representatives of the donor-countries appreciated and supported Georgia's efforts to transform its' economy. A delegation of the International Monetary Fund is to visit Tbilisi in July. It will take part in drawing up programs for further reforms on which financial aid will be provided. A consultative group of the World Bank is to consider the question of granting aid to Georgia before the end of the year.

Tbilisi Rally Demands Shevardnadze's Resignation

LD1507194794 Tbilisi IPRINDA in Russian 1550 GMT 15 Jul 94

[Text] Tbilisi (IPRINDA)—On 15 July, at 1700 [1300 GMT], a sanctioned rally of "The Salvation Committee" (the Committee has been established recently and includes 11 parties and political movements—parliamentary and non-parliamentary opposition) was held in the center of Tbilisi. According to some data, about 5,000 people participated in the rally. Irakli Tsereteli, leader of the National Independence Party, in his address to the rally demanded Shevardnadze's resignation, the freeing of political prisoners, the holding of an emergency session of parliament, and the granting of TV air time for the opposition. There have been no excesses during the rally.

Construction of CIS-Europe Oil Pipeline Proposed

MK1607095094 Moscow NEZAVISIMAYA GAZETA in Russian 16 Jul 94 p 3

[Unattributed report under the "NEGA Reports" rubric: "Georgia"]

[Text] The Georgian Government has started talks about the possible construction of an Azerbaijan-Kazakhstan-Uzbekistan- Georgia-Europe oil pipeline. This was announced in a conversation with Georgian journalists by Vano Lobzhanidze, deputy chairman of the "Gruzneft" department. If the talks are successful, the prospects for receiving extra oil deliveries will open up for Georgia. At the same time, three foreign oil companies—American, Australian, and British—have signed a cooperation agreement with Georgia, but will not start work pending stabilization of the republic's sociopolitical situation.

Cuts in Armed Forces Announced

LD1607091694 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 16 Jul 94

[Text] About 300 officers have been laid off recently from the ranks of the Georgian Armed Forces. Further cuts of 200 officers in the officers' staff has been planned. According to the Georgian military doctrine, the Georgian national army will consist of 15,000 private soldiers.

Estonia

Russia Said Fortifying Contested Demarcation Zone

WS1507093294 Tallinn BNS in English 1503 GMT 14 Jul 94

[Text] Tallinn, Jul 14, BNS—Russia is busily building checkposts on the temporary demarcation line with Estonia. The Russian side has been setting up control strips and building lots of barbed-wire fences, head of Estonian borderguard department central management Major Aare Evisalu told BNS. These activities are carried on in the territory whose belonging to Russia is contested by Estonia on basis of the Tartu 1920 peace treaty. Estonian borderguard patrols have so far not detected any attempts at unilateral demarcation by the Russian side, Evisalu said.

The Russian president issued a decree June 21, according to which Russia is to mark the Estonian-Russian border unilaterally by December 31, 1994. Yeltsin's decision is "internationally unprecedented", Estonian officials say, since the belonging of the territories in question is still unresolved.

Legislators Comment on Return From Talks in Moscow

WS1807101594 Tallinn ETA in English 1748 GMT 15 Jul 94

["News Release"]

[Text] "If the foreign committees of the parliaments of Estonia and Russia had already earlier been included in the solution of problems in relations of the two states, several of these problems would have already been solved," head of Estonian Riigikoguos [parliament] foreign committee Vello Saatpalu, leader of a delegation that arrived from talks in Moscow on Friday, told a press conference.

Estonian parliamentary delegation had during their four-day visit meetings with high-rank Russian politicians, including Russian Deputy Foreign Minister Vitaliy Churkin, discussing most acute problems of Estonian-Russian relations, including Russian troop withdrawal issue from Estonia and the Tartu Peace Treaty.

MP Juhan Aare, a member of the delegation said, however, that many Russian politicians have got very inadequate information as to the real situation and legal acts in Estonia. Aare said that in the Russian parliament readiness to overcome the deadlock in Estonian- Russian relations, not only through unilateral concessions by Estonia, existed.

Saatpalu said that cooperation of the parliaments will continue and this autumn a visit by a Russian parliamentary delegation was on the agenda. "Existence of democratic Russia is the only one hundred per cent security guarantee for Estonia," Saatpalu said.

Ethnic Affairs Mediator on Yeltsin Remarks

WS1507093594 Tallinn ETA in English 1635 GMT 14 Jul 94

["News Release"]

[Text] Ants Paju, President Lennart Meri's representative at round-table-talks with the country's ethnic minorities, said that recent remarks by President Boris Yeltsin attacking Estonia lack any logic and are just a way of checking Western reaction.

At G-7 summit in Naples, Yeltsin said Russia was not going to pull its troops out of Estonia by August 31 despite the fact that his U.S. counterpart, Bill Clinton, had said he was convinced the deadline would be met.

"With such conspicuous statements, Russia checks Western reaction," Paju said.

Presidential round-table was set up last year in an attempt to discuss problems ethnic minorities in Estonia face.

Latvia

President Talks With Party Leaders on New Government

LD1507103994 Riga Radio Riga Network in Latvian 0900 GMT 15 Jul 94

[Text] President Guntis Ulmanis has begun consultations with the leaders of the Saeima factions and the biggest political parties to discuss the possibilities of forming a new government. Yesterday he met representatives of the National Conservative Party, the LNNK [Latvian National Independence Movement] Saeima faction, and Maris Grinblats, the leader of the faction "For the Fatherland and Freedom." Consultations will continue today.

Latvian Way Chair Comments

LD1507224694 Riga Radio Riga International in English 2030 GMT 15 Jul 94

[Text] Andrejs Pantelejevs, chairman of the parliamentary faction Latvian Way, said that the new government could not be formed earlier than in September. Today, the representatives from the Latvian Way faction had a meeting with Latvian President Guntis Ulmanis to consult about the process of forming the new government. It was emphasized during this talk that the present government led by Valdis Birkavs would continue its work until September. Latvian Way is having consultations with all the parliamentary factions and discussing the possible solutions for the situation that have formed after the resignation of the government. Pantelejevs expressed his surprise that Latvian Farmers' Union that was the main cause for the situation now doesn't have any suggestions concerning the formation of the new government. Pantelejevs thinks that coalition with the National Conservative Party, LNNK, would not be possible as they have completely different view on economical issues.

Diplomatic Relations Established With Kuwait

LD1507110394 Riga Radio Riga Network in Latvian 1000 GMT 15 Jul 94

[Text] Janis Peters, ambassador extraordinary and plenipotentiary of Latvia, and Fawzi 'Abd-al-'Aziz al-Jasim, ambassador extraordinary and plenipotentiary of Kuwait, signed a protocol in Moscow today on the establishment of diplomatic relations between Latvia and Kuwait. This Arab state is due to be represented in Latvia by the Kuwaiti ambassador in Bonn.

Lithuania

Polish Union Accuses Government of Breaching Treaty

LD1707181194 Warsaw Radio Warszawa Network in Polish 1700 GMT 17 Jul 94

[Text] The Union of Poles in Lithuania [ZPnL] has issued a letter to the presidents and prime ministers of Lithuania and Poland demanding immediate consultations to remove the pressure to which the Polish community in Lithuania is being subjected and to prevent the adoption of laws that will contradict the letter and spirit of the Lithuanian-Polish Treaty. The letter emphasizes that the signing of the treaty has not resulted in any improvement in the situation of the Polish minority in Lithuania.

The ZPnL points out that before the summer recess the Lithuanian Sejmas intends to adopt laws contrary to the conditions of the treaty. The issue is primarily the law concerning the merger of the Vilnius region with the city of Vilnius, which will change the national composition of the region and deprive the residents of their right to regain their land.

Also, the ruling Lithuanian Democratic Labor Party has again submitted a motion on eliminating social organizations from participation in the local government elections.

According to the ZPnL Main Board, the two measures are clearly aimed against the Polish community because they envisage the elimination of Polish self-government and will be instrumental in dispersing the community.

Official on Cargo Transit Through Kaliningrad

LD1507133294 Vilnius Radio Vilnius Network in Russian 1200 GMT 15 Jul 94

[Text] Military transport to the Kaliningrad region through the territory of Lithuania constitutes only about 1 percent of the cargo stream. From this one percent the genuine military transit—soldiers, armaments etc.—constitutes only a part of one percent, Virgilijus Bulovas, the head of the working group for the negotiations with the CIS countries, said at a news conference yesterday. Bulovas expressed his doubts as to the economic advantage to Lithuania due to the status of the most favored nation in trade with Russia. Such status is being promised by Moscow in exchange for military transit through Lithuania. According to Bulovas, nobody in the government has so far managed to estimate what advantages would be obtained from it by Lithuanian enterprises.

Addiction, AIDS Rates Double in 1993

LD1607181794 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 15 Jul 94

[Text] The Statistical Department reports that the number of persons suffering for the first time of drug addition doubled last year as compared with the previous year.

According to the AIDS center, by May 1994 22 HIV carriers were registered in Lithuania. Five of them were suffering from AIDS.

In the opinion of experts, for every AIDS sufferer there are 50 - 100 people who may be infected. Therefore there may be more infected people in Lithuania. In 1992, after the completion of investigation, the BALTIC INFORMATIK forecast that there could be 223 HIV carriers and 12 people suffering from AIDS in Lithuania in 1996.

Tuberculosis Rate at 47 per 100,000 in Vilnius

LD1507165794 Vilnius Radio Vilnius Network in Russian 1200 GMT 15 Jul 94

[Excerpt] Tuberculosis, a satellite of poverty, is spreading rapidly in Lithuania. On average, 43 people suffer from tuberculosis per 100,000 of population. In Vilnius this figure is 47 people.

Seventy percent of the contingent of patients treated at the Antakalnis tuberculosis hospital in Vilnius comprise so-called asocial persons.

In 1993 this dangerous infectious disease was diagnosed in 1,628 persons—276 of them in Vilnius. In addition, 8,204 people are suffering from active tuberculosis, 688 from open tuberculosis, and 382 people have died.

In the first six months of this year the same number of infected people was registered as in the whole of last year. [passage omitted]

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